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ABSTRACT

This packet contains 21 lessons, each providing ideas and teaching activities to accompany a specific story or book to be used to teach economic concepts. The booklet contains practical, classroom-tested lesson plans to use with popular children's stories. The economic concepts used in this curriculum are identified in "Indiana's Social Studies Curriculum Guide" and the "Voluntary National Content Standards" developed by the National Council on Economic Education. The curriculum also contains generic handouts that can be used with any children's book. These handouts include two useful decision models: (1) the Decision Tree (from the popular "Econ and Me" video series); and (2) the Five-Step Decision Grid. The curriculum contains an annotated bibliography of other popular children's books that are useful for introducing economic concepts. Sections of the book include: (1) "Economic Concepts"; (2) "Teaching Activities Based on Popular Children's Stories"; (3) "Handouts to Use with Other Stories"; (4) "Annotated Bibliography of Other Books"; and (5) "Indiana Proficiency Guide in Economics (K-6)." (Annotated bibliography contains 63 references.) (EH)

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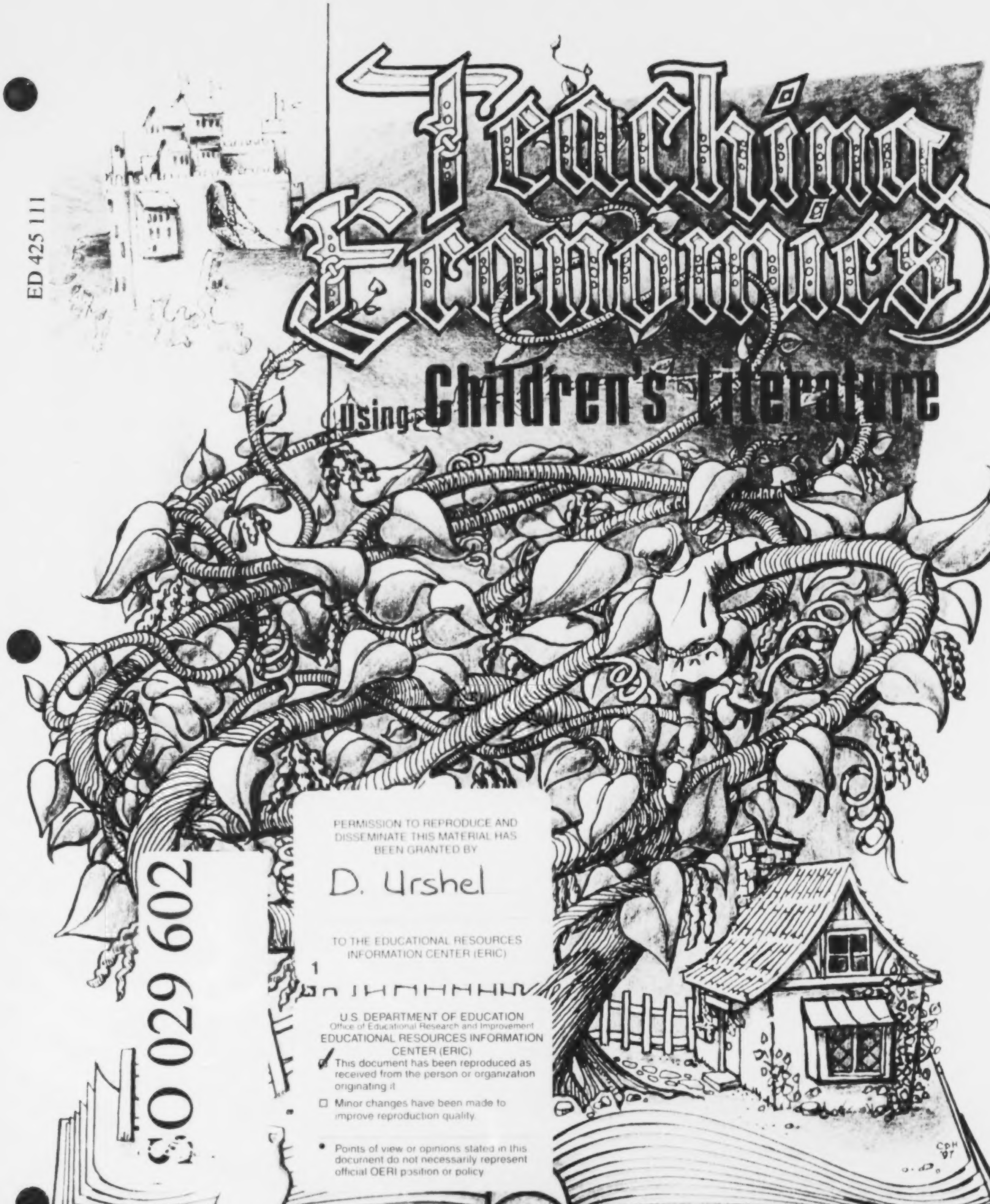
Teaching Economics Using Children's Literature



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Teaching Economics

Using Children's Literature

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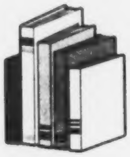
Introduction

There is a growing recognition from educators and other opinion leaders that to be effective citizens, students must have a basic understanding of the economic world around them. Many excellent curriculum materials have been developed recently to help accomplish this important task. This new elementary curriculum booklet, *Teaching Economics Using Children's Literature*, is another addition to this growing collection of materials. The booklet contains practical, classroom-tested lesson plans to use with popular children's stories. The economic concepts used in this curriculum are identified in Indiana's *Social Studies Curriculum Guide* and the *Voluntary National Content Standards* developed by the National Council on Economic Education.



Why Use Children's Literature?

Why is using children's literature to teach economics so effective? First, since children (and teachers!) love stories, using literature is a very motivational teaching technique. Second, as economic concepts are taught within the context of literature, students realize that economics is a very real and interesting part of the world around them. And third, using children's literature allows teachers, as the proverb says, "to kill two birds with one stone." In a crowded curriculum this interdisciplinary approach is certainly appealing.

Using the Curriculum

The main part of *Teaching Economics Using Children's Literature* consists of 21 lessons, each providing ideas and teaching activities to accompany a specific story or book. The curriculum also contains "generic" handouts that can be used with any children's book. These handouts include two very useful decision models: the Decision Tree (from the popular *Econ and Me* video series) and the Five-Step Decision Grid. Finally, the curriculum contains an annotated bibliography of other popular children's books that are excellent for introducing economic concepts.

A Key Assumption

Teaching Economics Using Children's Literature is based on the key assumption that teachers already have a basic understanding of the economic concepts presented in the lessons. For example, individual lessons contain no detailed explanations of economic concepts, nor are answers provided to simple questions. However, the first part of the curriculum *does* contain simple definitions and explanations of 25 basic economic concepts. Also, the Indiana Economics Social Studies Proficiencies for grades K-6 are provided in the last part of the curriculum.

The Indiana Department of Education is confident that you will enjoy using these lessons to make economics come alive to your students through the exciting world of children's literature.

For More Information

For further information about curriculum materials or training in economics education, please contact the Indiana Department of Education, Office of Program Development, Room 229, State House, Indianapolis, IN 46204-2798, (317) 232-9186.

Part 1

Economic Concepts

This section describes the economic concepts identified throughout this curriculum booklet. These concepts are listed below in the order that they appear.

Goods
Services
Consumer
Producer
Productive Resources
Natural Resources
Human Resources
Capital Resources
Entrepreneur
Production Model
Scarcity
Opportunity Cost
Trade-Offs
Money
Price
Marketplace
Exchange and Trade
Specialization
Interdependence
Productivity
Economic Systems
Profit
Role of Government
International Trade
Circular Flow Model

These definitions and explanations are based on the *Voluntary National Content Standards* developed by the National Council on Economic Education (NCEE), *A Framework for Teaching Basic Economic Concepts* (NCEE), *Economics: What and When (NCEE),* and the *Indiana Social Studies Proficiency Guide.*

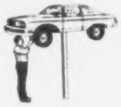
Goods

Content Statement: Goods are tangible items that people want.

Student Language: A good is something people want that you can touch or hold.

Example: Any item you can buy at a store is a good.

Services



Content Statement: Services are activities that satisfy people's wants.

Student Language: A service is something that one person does for someone else.

Example: Washing a car, fixing a lawn mower, cutting hair, or teaching students are examples of services.

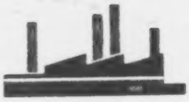
Consumer

Content Statement: Consumers are people who satisfy their wants by using goods and services.

Student Language: Consumers are people who buy goods and services.

Example: When Sarah purchased a dress, she was a consumer.

Producer



Content Statement: Producers combine productive resources to make goods and provide services.

Student Language: Producers are people who make goods or provide services.

Example: A mechanic is a producer of car repair services.

Productive Resources

Content Statement: Productive resources are all natural, human, and capital resources used in the production of goods and services.

Student Language: Productive resources are the natural, human, and capital resources we need to produce goods and services.

Example: Steel, plastic, different types of workers, and many kinds of tools and equipment are some of the productive resources necessary to produce a car.

Natural Resources

Content Statement: Natural resources (often collectively referred to as "land") are the "gifts of nature" necessary for production; they are present without human intervention.

Student Language: Natural resources are things found in nature that we use in production.

Example: Oil, water, air, minerals, wild animals, and land are examples of natural resources.

Attention! Strictly speaking, natural resources refer only to items found naturally without any human invention. Thus, any raw materials that have been to some degree processed by humans, such as the cotton cloth or metal zippers used to make blue jeans, are technically not natural resources. However, with elementary students it is helpful to include the raw materials of production under the category of natural resources.

Human Resources

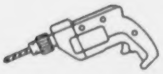
Content Statement: Human resources, also called labor, represent the quantity and quality of human effort used in production.

Student Language: Human resources are the people who work in jobs to produce goods and services.

Example: Line workers, secretaries, managers, and engineers are examples of the human resources used to produce an automobile.

Attention! The special skills that workers acquire through education and training are referred to as *human capital*. It takes scarce time and resources to acquire human capital. Workers who have acquired human capital are usually paid more than those who haven't.

Capital Resources



Content Statement: Capital resources are goods that are produced and used to make *other* goods and services.

Student Language: Capital resources are special goods such as tools, equipment, machines, and buildings which are used to produce other goods and services.

Example: The school building and all the equipment in it are the capital resources needed to produce education.

⚠ Attention! Wild animals are properly classified as natural resources. But animals used to help in production, such as plow animals, should be considered capital resources.

Entrepreneur

Content Statement: Entrepreneurs are people who organize other productive resources to make goods and services. They assume the risk and gain the profits.

Student Language: Entrepreneurs are people who take the risk to start a business. They have to organize all of the productive resources.

Example: Henry Ford was an entrepreneur who used his personal savings to design a factory which produced automobiles on an assembly line.

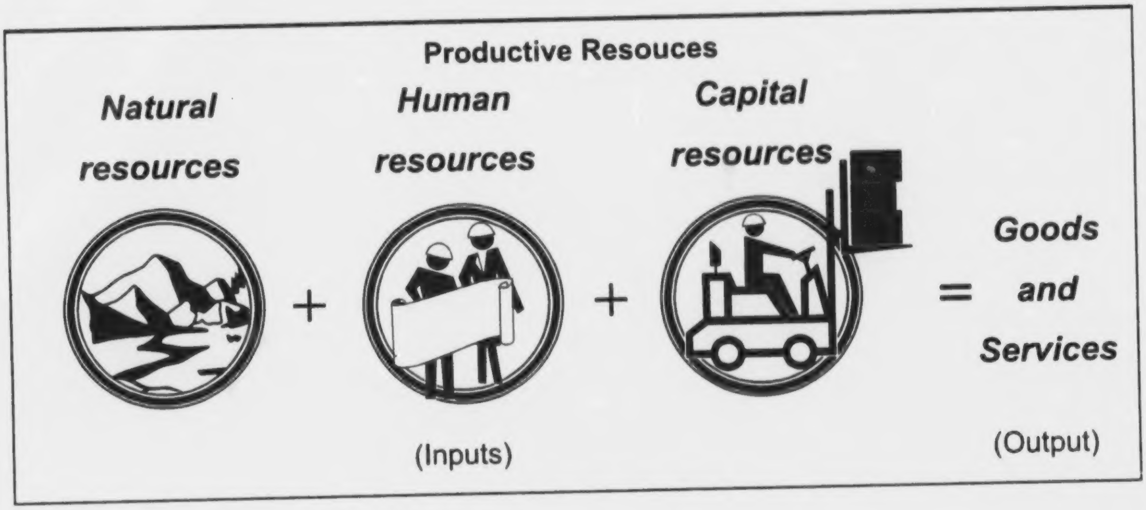
Production Model

Content Statement: The production model illustrates how the three productive resources are combined to produce goods and services.

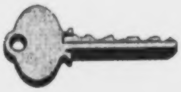
Student Language: The production model shows how the three productive resources are combined to produce goods and services.

Example:

Production


Productive Resouces
Natural resources
Human resources
Capital resources
+
+
=
Goods and Services
(Inputs)
(Output)

Scarcity



Content Statement: Scarcity is the condition of not being able to have all of the goods and services that one wants. It exists because there are not enough productive resources to produce all that people want. Scarcity means that people have to make choices.

Student Language: Scarcity means not being able to have everything that you want. Scarcity forces us to make choices.

Example: When you go shopping, your scarcity of income forces you to make choices. You can't buy everything you want!

⚠ Attention! In certain situations, a good may not seem scarce. For example, you may have too many desks in your classroom and want to get rid of some. In an economic sense, however, a desk is still a scarce good. It has a price and is not freely available.

Opportunity Cost

Content Statement: The opportunity cost of a choice is the value of the best alternative given up.

Student Language: When you make a decision, the most valuable alternative that you *don't* choose is your opportunity cost.

Example: Sue wants to be a nurse and teacher, but she can't be both. She decides to be a nurse, so being a teacher is her opportunity cost.

Attention! Your opportunity cost is *not* the sum of all possible alternatives. Suppose Sue also wants to be a secretary, but it is her third choice. Her opportunity cost — being a teacher — would not change by choosing to be a nurse. Your opportunity cost is your **next best** alternative.

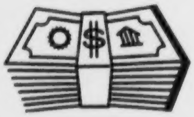
Trade-Offs

Content Statement: Trade-offs means getting a little more of one option in exchange for a little less of something else. Few choices are all-or-nothing decisions; most involve trade-offs.

Student Language Trade-offs means getting a little less of one thing in order to get a little more of another.

Example: Jeff loved to buy baseball cards. So when he used part of his birthday money to buy some candy instead, he was trading off cards for candy.

Money



Content Statement: Money is anything commonly used to exchange goods and services. To be effective, money must be scarce, durable, portable, and divisible.

Student Language: Money is what people use to buy goods and services.

Example: Many different items have been used as money throughout history, including gold, silver, shells, tobacco, and paper.

Price

Content Statement: The price is what people pay when they buy a good or service and what they receive when they sell a good or service. In a free market, price is determined by supply and demand.

Student Language: The price is the amount of money that people pay when they buy a good or service. It is determined by the buying and selling decisions of consumers and producers.

Example: Sue paid a price of $.50 for the pack of gum.

⚠ Attention! Prices change constantly, depending on changes in supply and demand. In any market, there is one *market clearing price* that makes the amount buyers want to buy equal to the amount sellers want to sell.

Marketplace (Market)

Content Statement: A marketplace, or market, exists whenever buyers and sellers exchange goods and services.

Student Language: Markets are places where people buy and sell goods and services.

Examples: At the farmer's market, I purchased some apples.

Exchange and Trade

Content Statement:	Exchange is trading goods and services for other goods and services or for money. Barter is trading without money. People exchange goods and services because they expect to be better off after the exchange.
Student Language:	Exchange is trading goods and services for other goods and services or for money. Barter is trading without money. People exchange goods and services because they expect to be better off after the exchange.
Example:	When John went to the store, he exchanged $15 for a soccer ball. Roberto bartered his used bat for Jerry's kickball.

Specialization

Content Statement:	People specialize when they produce a narrower range of goods and services than they consume. Specialization increases productivity and results in greater interdependence.
Student Language:	People specialize when they work in jobs where they produce a few special goods and services. When people specialize they produce more, but they also must depend more on one another.
Example:	John is a mechanic. He gets his hair cut at Joe's Barber Shop. Joe goes to John to get his car fixed. John and Joe earn more by specializing, but they must depend on one another.

Attention! *Division of labor* is a "special" kind of specialization. It occurs when the production of a good is broken down into numerous, separate tasks, with different workers performing each task.

Interdependence

Content Statement:	Interdependence occurs when people and nations depend on one another to provide each other's wants. Greater specialization and trade lead to greater interdependence.
Student Language:	Interdependence occurs when people and nations depend on one another to provide the goods and services they want. The more people specialize and trade, the more interdependent they become.
Example:	Canada and the United States are very interdependent because they trade so much with one another.

Productivity

Content Statement:	Productivity is a ratio of output (goods and services) produced per unit of input (productive resources) over some period of time.
Student Language:	Productivity measures how many goods and services are produced over a period of time. It is usually measured as output per hour. You can increase productivity by producing more goods and services with the same resources, or by producing the same goods and services with fewer resources.

Example: When Mary purchased a paint gun, she greatly increased her productivity — she painted many more houses each month.

Attention! Labor productivity (output per worker hour) is the most common measure of productivity. In agriculture, output per acre is the most common. Increases in productivity occur primarily by investing in (1) Better Technology, and (2) Education and Training.

Economic Systems

Content Statement: Every society has an economic system, the institutional framework a society uses to allocate its productive resources to produce and distribute goods and services.

An economic system answers these questions:

1. *What* Goods and Services Will Be Produced?
2. *How* Will Goods and Services Be Produced?
3. *Who* Will Consume the Goods and Services?

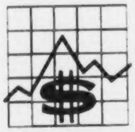
The three fundamental kinds of economic systems are *market*, *command*, and *traditional*.

Student Language: An economic system is how a country decides to produce and distribute goods and services. Every country has some kind of economic system.

Example: The economic system of the United States is primarily a market economy because the prices of goods, services, and productive resources guide most economic activity.

Attention! No economy is purely market, command, or traditional. Economies contain elements of all three, although one will predominate.

Profit



Content Statement: Profit is the difference between the sales revenues and the costs of producing a good or service.

Student Language: When you produce and sell a good or service, your profit is the difference between the money you make when you sell it and your cost of making it.

Example: Bill received $200 from selling lemonade. He figured all his costs were $125. His profit was $75.

Role of Government

Content Statement: The main role of government in a market economy is to (1) Provide a legal framework, (2) Insure competition, (3) Provide public goods, such as roads and national defense, and (4) Control "market failures," such as pollution and animal extinction.

Government is financed through taxation.

Student Language: The main role of government in an economy is to:

1. Provide laws to help the economy run smoothly.
2. Make sure there is enough competition among businesses.
3. Provide public goods, such as roads and national defense.

4. Control bad effects, such as pollution and wild animal protection.

The government gets its money by collecting *taxes*.

Example:

Enforcing business contracts through the legal system is an important role that government plays in the United States economy.

International Trade

Content Statement:

Foreign trade is the exchange of goods and services between people and institutions in different nations. Voluntary trade increases specialization and competition and gives people a broader range of choices in buying goods and services.

Exports are domestic goods and services that are sold to buyers in other nations.

Imports are goods and services that are bought from sellers in other nations.

Quotas and *tariffs* are common barriers to international trade.

Student Language:

International trade is the exchange of goods and services between countries. Trade between countries, like trade between people, increases specialization, competition, and world production.

Exports are goods and services produced in one country and then sold to buyers in another.

Imports are goods and services bought from sellers in other countries.

Nations use *quotas* (limits on imports) and *tariffs* (taxes on imports) to limit international trade.

Example: Consumers in nations who engage in international trade increase their overall standard of living.

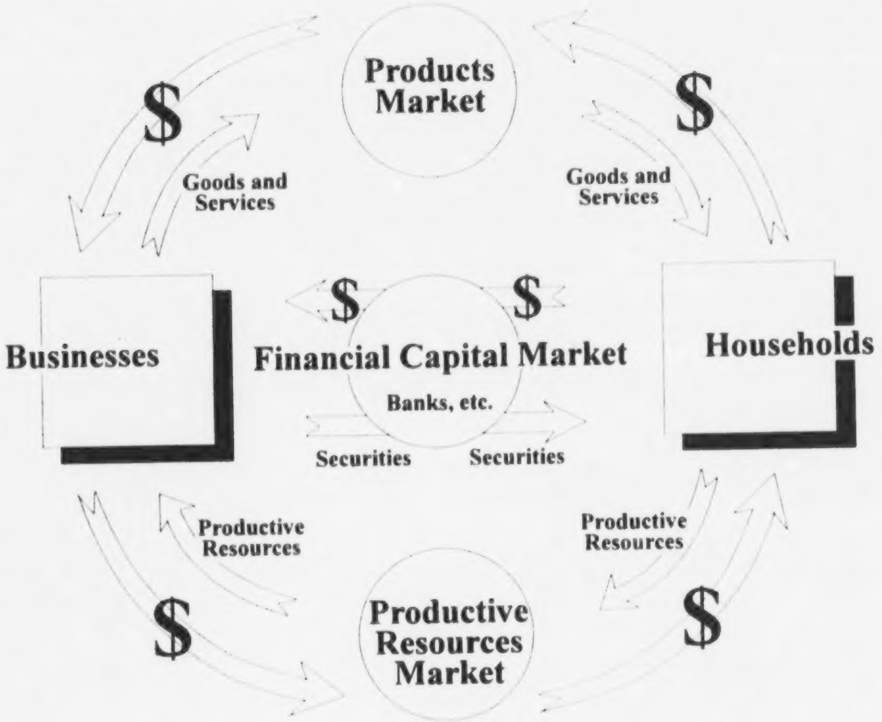
Attention! The issue of international trade is often controversial. It is true that some workers in specific industries may be hurt by trade. For example, some American clothing workers have had to change jobs during the past 25 years because of clothing imports. However, this trade allows Americans to buy quality clothing at good prices, resulting in a higher standard of living for the U.S. and for our trading partners. For this reason, most economists agree that it is good to let countries trade as much as possible. Indeed, international trade is growing throughout the world.

Circular Flow Model

Content Statement: The circular flow model of a pure market economy illustrates the interactions of households and businesses in three markets: products (goods and services), productive resources, and financial capital.

Student Language: The circular flow model shows how households, businesses, and financial institutions interact as they exchange goods and services.

Example:



Products Market
$
$
Goods and Services
Goods and Services
Businesses
$
$
Financial Capital Market
Banks, etc.
Households
Securities
Securities
Productive Resources
Productive Resources
$
$
Productive Resources Market

Attention! This model shows businesses borrowing savings only from households. In reality, the situation is more complex, since businesses as well as households provide savings to the market. Also, consumers and governments compete with businesses to borrow the available savings.

With younger children, you do not need to show the financial capital market.

Part 2

Teaching Activities

Based on Popular Children's Stories

Charlie Needs a Cloak

by Tomie de Paola
Prentice-Hall, Inc., 1973

Lesson Overview

Charlie and his favorite sheep produce a **good** — a new cloak. Students learn about the different **productive resources** (natural, human, and capital) that Charlie uses. Charlie does not **specialize** in his production — he does all the production steps himself (**unit production**).

Key Economic Concepts

Productive Resources
Human Resources
Specialization
Natural Resources
Capital Resources

Materials

Handouts 1 and 2

Teaching Procedure

1. Carefully describe and explain the different productive resources using the *Production Model* . (See Part 1 — Economic Concepts.) For younger students, this may take several short lessons. Try to show examples of real tools, cut out pictures of resources from magazines, etc.

2. As you read the story, tell students to mentally note examples of productive resources.

3. Divide the class into groups of three. On Handout 1, list/classify the productive resources found in the story. (Younger students may want to draw pictures.)

   Another option is to have students make index cards of the specific productive resources found in the story and then put them on the board under the correct productive resource category.

4. Gather all students together and in turn have each group share an example

of a productive resource that they listed on Handout 1. Continue until all resources have been identified. Record group responses on the board.

5. Have students complete Handout 2, "Pumpkin Producers."

Key Questions to Ask Students

1. Was Charlie producing a ***good*** or ***service***? (*Service*)
2. What are some examples of other kinds of goods and services?
3. What are some of the ***productive resources*** Charlie used to make his cloak? (*Natural — land, wood for energy, any natural resources that went into making raw materials or capital resources; Human — Charlie's labor; Capital — pot, scissors, needle, etc.*)
4. Did Charlie ***specialize*** in making his cloak? (*No, he did everything himself. He did not* ***divide the labor****. He engaged in* ***unit production****.*)

Follow-Up Activities

1. *Play Dough Production:* Give each student a small piece of play dough. Have students do some or all of these tasks:

    - Make an example of a natural resource.
    - Make an example of a capital resource.
    - Show someone (a human resource!) producing a good or service.

2. *Pat Your Head, Clap Your Hands, and Stomp Your Feet!* In a large group, call out the names of various productive resources. If you call out a natural resource, students must pat their heads. If you call out a human resource, they must clap their hands; a capital resource (e.g. hammer), they must stomp their feet.
3. *Design a Factory*: Have students draw peanut butter and jelly sandwiches being made inside their own specially designed "Peanut Butter and Jelly Sandwich Factory." Show people working at various jobs and also show various types of capital resources being used. Be creative and have fun!!

Handout 1

Productive Resources

Charlie (and his pet sheep!) needed many **productive resources** to produce his cloak. Discuss the story with your group. List as many productive resources as you can that Charlie used. List them under the correct type of productive resource — either natural, human, or capital.

Natural Resources (Raw Materials)	Human Resources	Capital Resources

In real life, how do people *get* productive resources?______________________________

____

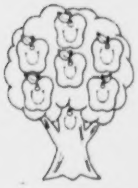
Handout 2

Pumpkin Producers!

In the columns below, identify the resources necessary to produce pumpkins.

Natural Resources (Raw Materials)	*Human Resources*	*Capital Resources*

Write a paragraph describing how to produce pumpkins. Be sure to discuss productive resources! Give your paragraph a title and use your best writing. Use correct spelling and punctuation.



The Giving Tree

by Shel Silverstein
Harper Collins Publishers, 1964

Lesson Overview

This is a tender story about a tree and a boy. The tree loves the boy so much that it is willing to give the boy everything that it has (apples, shade, branches, and trunk). This story represents the ultimate sacrifice of love and the serene acceptance of another's capacity to love in return.

Key Economic Concepts

Natural Resources
Scarcity
Economic Wants
Price

Materials

Handouts 1, 2, & 3

Teaching Procedure

1. Carefully read and discuss this story with your students. Define and discuss the words sacrifice, natural resource, and scarcity.

2. Using Handout 1, have students make a list of all the natural resources that the tree gave to the boy and how the boy used them for his own benefit. Point out how the boy's wants changed as he grew older. Have students identify their various wants and list them on the board.

3. Explain the concept of **scarcity**. Divide the class into three groups and have them make a list of natural resources. Compare the lists and discuss the concept of scarcity as it applies to natural resources.

4. Discuss how some things are **more scarce** than others. Explain that the **price** of something reveals how scarce it is compared to other things.

5. In large print, write the word APPRECIATE across the blackboard. Discuss the importance of being appreciative. Ask the students if they feel the boy showed appreciation towards the tree. How does appreciation of our natural resources help us to make better choices?

6. On Handout 2, have students write a note of appreciation to the tree. Then write a note of appreciation to someone who has sacrificed something for them (mother, father, teacher, grandparent, etc.).

7. List **goods** (products) that are directly related to apple trees (wood, apple pies, caramel apples, applesauce, cider, apple juice, apple butter, etc.). Discuss why these goods are all **scarce**.

8. Complete Handout 3, the *Writer's Journal for The Giving Tree.*

Key Questions to Ask Students

1. What are ***natural resources***? (*gifts of nature, source of raw materials*) Why are natural resources ***scarce***? (*not enough for everyone to have all they want*)

2. In the marketplace, how can you tell if one resource (or ***good***) is ***more scarce*** than another? (*Its **price** gives the clue!*) Give examples.

3. Discuss the differences between ***renewable*** and ***nonrenewable*** resources?

4. What are the ***economic wants*** in this story? Did the boy really need all the tree gave him? What are the consequences when we lose control of our wants? (We purchase goods and services we cannot afford.)

5. Did the boy appreciate the tree's sacrifices? How does appreciation help us make better choices?

Follow-Up Activities

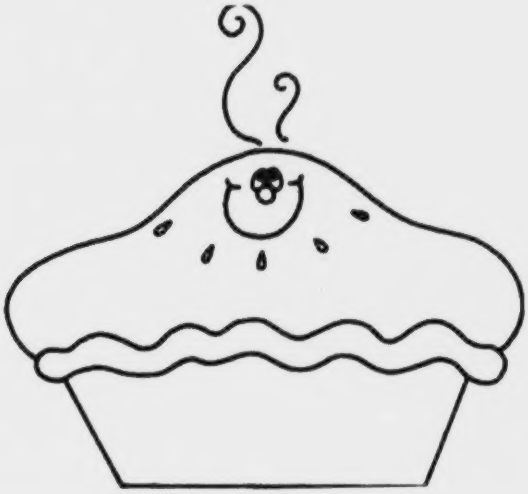
1. *Play Dough Production*: Make examples of natural resources.

2. *Bulletin Board*: Create a bulletin board using the headings "Renewable Resources" and "Nonrenewable Resources." Cut out and categorize pictures from magazines.

3. *Johnny Appleseed*: Study Johnny Appleseed and other apple facts.

4. *Field Trip*: Visit an apple orchard. Discuss the natural, capital, and human resources used to produce apples.

5. *Kids in the Kitchen:* Make an apple pie. Read and discuss the story, *How to Make an Apple Pie,* by Marjorie Priceman.



Handout 1

THE GIVING TREE CHART

Stages of Boy's Life	Tree's Gift to the Boy	How the Boy Used Each Resource
Little Boy		
Young Man		
Man		
Older Man		
Old Man		

Handout 2

Thank You Letters

Dear Giving Tree,

Thank You,

* *

Dear ________________

Thank You,

Handout 3

Writer's Journal for The Giving Tree

1. In your own words, tell what the economic word ***scarcity*** means.

____

____

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2. Write a sentence describing the ***scarcity*** situation in *The Giving Tree*.

____

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3. In your own words, tell how the tree felt about giving up most of its natural resources. Did giving make the tree happy? Was the tree happy at the end of the story?

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4. Did the boy understand and appreciate the tree's sacrifice for him?

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The Doorbell Rang

by Pat Hutchins
Greenwillow Books, 1986

Lesson Overview

The Doorbell Rang is a story that emphasizes the spirit of giving. It is an amusing story of two children about to eat a dozen cookies. Each time the children start to eat their cookies, the doorbell rings. Each ring of the doorbell brings more and more children. The cookies have to be redistributed each time. This lesson is an excellent way to introduce the concept of scarcity.

Key Economic Concepts	Scarcity	Productive Resources
Materials	Handouts 1 & 2	

Teaching Procedure

1. Carefully read and discuss this story with your students. Discuss and give examples of the economic concept of **scarcity**.

2. Discuss how the concept of scarcity applies to the story. What would have happened if grandmother hadn't brought the children another batch of . cookies? (Cookies would be even more scarce!)

3. On Handout 1, have students color the dozen cookies on the sheet, cut them out, and use them to act out the story. Reinforce the concept of scarcity as they divide up the cookies each time the doorbell rings.

4. Using Handout 2, have students complete the Writer's Journal.

Key Questions to Ask Students

1. What is ***scarcity***? (*not having enough of something*) Why is scarcity a problem for the children in the story? (*There are not enough cookies!*)

2. Suppose each child in the story has a cookie. Could cookies still be **scarce**? (*Yes, still not enough for children to have all they want! In fact, even if all wants for cookies are satisfied in a particular situation, economists still classify cookies as a scarce good!*)

3. When scarce ***goods*** are sold in stores, what do they always have? (*a* ***price***) How do we know if one good is more scarce than another? (*higher price*)

4. Can you think of anything that is *not* ***scarce***? (*saltwater at the beach, garbage, sand in the desert*) Why? (*They are freely available. There is enough for everyone to have all they want!*)

5. What ***natural resources (raw materials)***, ***human resources***, and ***capital resources*** are used in this story to make cookies?

Follow-Up Activities

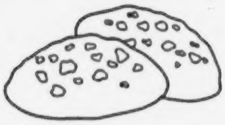
1. *Play Dough Production*: Give each child some play dough. Have each student produce a dozen cookies. Read the story out loud and have students divide up the play dough cookies to accompany the story.

2. *Kids in the Kitchen Economics:* Have the students make a batch of chocolate chip cookies. As the class is baking cookies, identify the natural resources (raw materials), human resources, and capital resources used to make cookies.

3. *Scarcity List:* Brainstorm and identify things that can be listed under the headings of "Scarce Goods" and "Scarce Services."

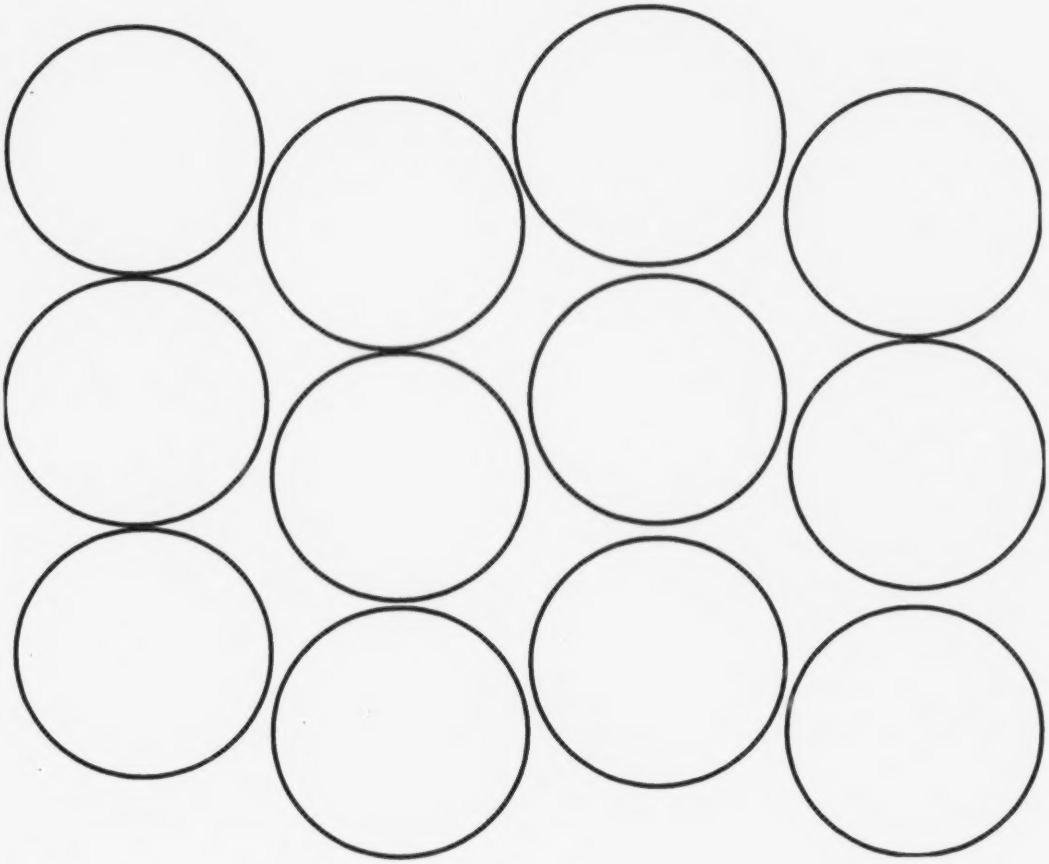
4. *Field Trip:* Visit a bakery and analyze the production process. In the classroom, draw, label, and write a paragraph describing how baked goods are produced from productive resources.

Handout 1



The Doorbell Rang!

Create a dozen of your favorite kind of cookies. Color, decorate, and cut them out. Use the cookies to show how they were divided up in the story, *The Doorbell Rang*. On a separate sheet of paper, write about all the **productive resources** that would go into making a real batch of cookies.



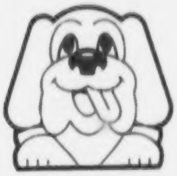
Handout 2

Writer's Journal for The Doorbell Rang

1. In your own words, tell how you think Sam and Victoria felt when they experienced the problem of ***scarcity***? Did they like dividing up the cookies?

2. How can you tell if a good is ***very scarce*** or ***not very scarce***? On a separate piece of paper, draw a picture to go with your explanation.

3. Cut out pictures and paste them under these two headings: Very Scarce Goods and Not Very Scarce Goods.



Arthur's Pet Business

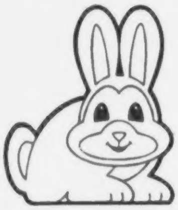
by Marc Brown
Little, Brown & Co., 1981

Lesson Overview

To prove he is responsible enough to own a pet and to repay a debt of money to his sister, Arthur decides to start a pet business — providing pet care service to community members. He advertises by putting up signs around the neighborhood. Business is very good. Arthur not only earns a wage (from which he pays his debt), but also gains a pet when one of his "clients" has puppies under his bed.

Key Economic Concepts

Goods
Income
Choices
Services
Wage
Entrepreneur



Materials

Handouts 1 and 2

Teaching Procedure

1. Describe the differences and similarities of **goods** and **services**. Using Handout 1, title one hotel GOODS and the other SERVICES. Have students cut out pictures from magazines or draw pictures of goods and services and glue them to the correct hotel.

2. As students read the story, have them identify goods and services shown in the illustrations or mentioned in the story. (These could be added or drawn on the Hotel Handouts above.)

3. Define **entrepreneur**. Discuss how Arthur fits this definition.

4 Pass out Handout 2. Students should interview at least five people at home or in the community. They should ask what work the people do to earn an **income** and then complete the interview form.

5. As a class, analyze and discuss the data. Determine which people provide a **good** and which provide a **service**. Were any of the people interviewed entrepreneurs? Discuss why or why not.

Key Questions to Ask Students

1. What were Arthur's job choices? (*work in a bank or a junk yard*)

2. Why did Arthur start a business? (*to earn* ***income*** *so he could repay a debt and to prove he was responsible enough to own a pet*)

3. What is the difference between a **good** and a **service**?

4. Was Arthur providing a ***good*** or a ***service***? (*service*)

5. Is Arthur considered an ***entrepreneur***? (*yes*) Why? (*because he made the choice to organize and manage a business*)

6. Do you think it is more difficult being an ***entrepreneur*** or working for someone else? Why? Why do people want to be entrepreneurs? (*Probably more difficult being an entrepreneur. Must organize all the productive resources. Must be willing to take a* ***risk****. Always requires long hours and much dedication. People like being their own boss. Possibility for much* ***profit****.*)

Follow-Up Activities

1. *Field Trip: Go* to the businesses of people interviewed and have students take photos of them at work. Attach photos to Handout 1 and make a class booklet called "Community Providers of Goods and Services."

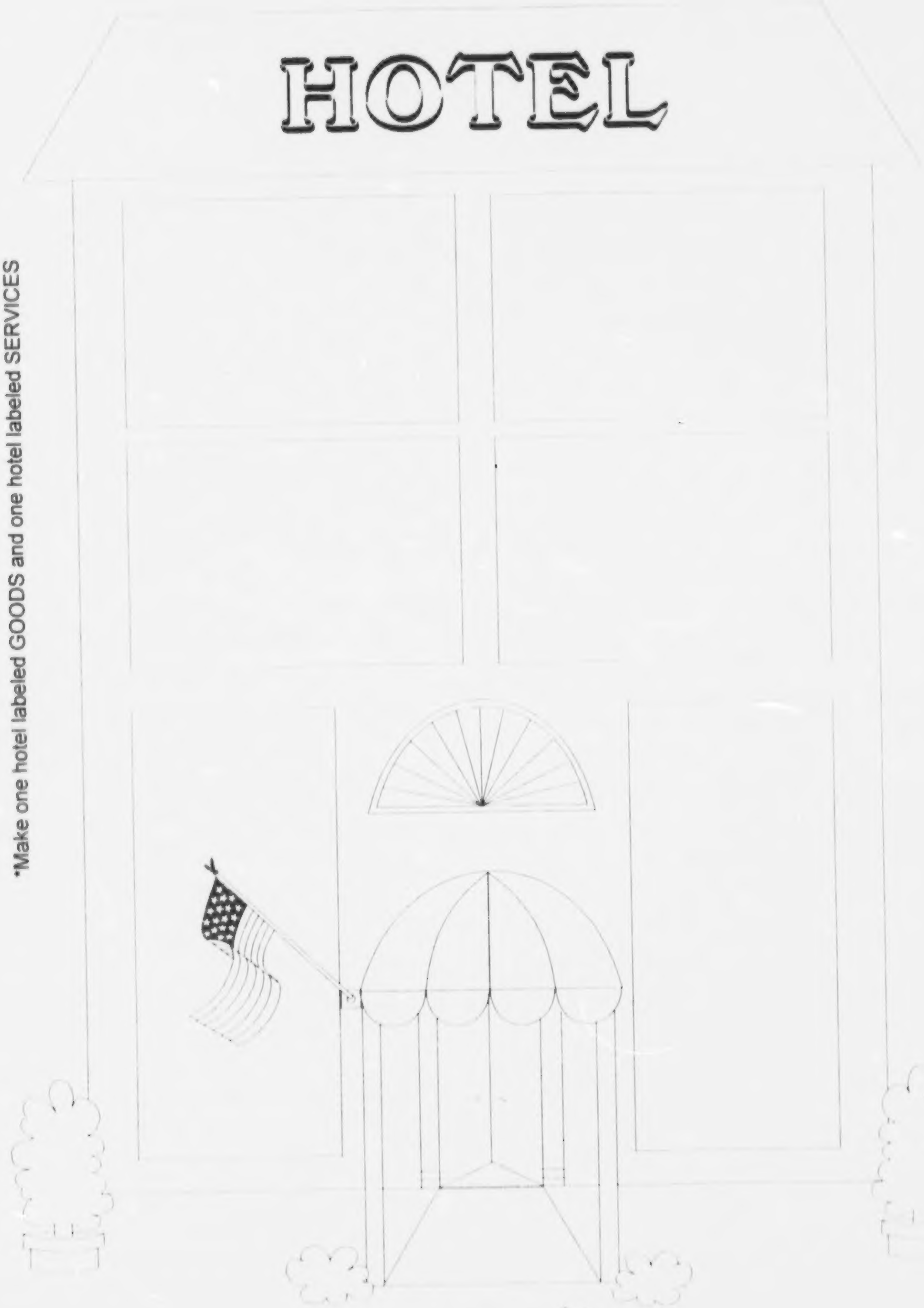
2. *Charades*: On slips of paper, put examples of goods and services. Have a student draw a slip and act out how to produce the good or service. The class guesses what job it is and whether it provides a good or a service.

3. *Start a Classroom Business:* Try one that provides a good and then one that provides a service. Compare and contrast. For example: a) Make packets of note cards with matching envelopes. b) Be "envelope stuffers" for the principal, school secretary, lunch supervisor, or other teachers.

4. *It's All in the Advertising!* Have students choose an occupation or business that interests them and make posters advertising it.

Handout 1

Arthur's Pet Business



*Make one hotel labeled GOODS and one hotel labeled SERVICES

Handout 2

BE A COMMUNITY REPORTER

REPORTER ______________________________

INTERVIEWEE ______________________________

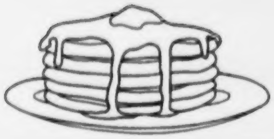
1. What ***good*** or **service** do you produce to earn an income?

2. Do you work by yourself or do you work as part of a group? If you work as part of a group, what are the good and bad points about working this way?

3. What **capital resources** (tools, machinery, equipment) do you use?

4. What special training (**human resources/human capital**) do you need to do your job?

5. How did you decide to do this kind of work? Would you recommend this kind of work to others?



PANCAKES, PANCAKES!

by Eric Carle
Scholastic, Inc. 1990

Lesson Overview

This is a story about a boy named Jack who wakes up with an enormous appetite for pancakes. His mother informs him that before she can make pancakes, he must first gather all the necessary ingredients. Jack must cut the wheat, take it to the miller, have the wheat ground, and gather the eggs — a step by step process for making pancakes the old fashioned way!

Key Economic Concepts	Specialization Interdependence	Division of Labor Productive Resources
Materials	Handouts 1 & 2	

Teaching Procedure

1. Carefully read and discuss the story with your students. Explain these concepts: **specialization**, **division of labor**, and **interdependence**. Reinforce the idea that raw materials come from natural resources. Discuss **natural**, **human**, and **capital resources** as related to this story.

2. Using Handout 1, have students classify vocabulary words from *Pancakes, Pancakes!* under appropriate concept column.

3. Complete Handout 2, the Writer's Journal for *Pancakes, Pancakes!*

4. Working in small groups, list all the people it took to make the pancakes (specialization). Discuss the concepts of specialization and interdependence. Emphasize that when people specialize they always become more dependent on one another (interdependence).

Key Questions to Ask Students

1. What are the differences between ***natural***, ***human***, and ***capital resources***?

2. Define ***specialization*** and ***interdependence***. How does the term ***division of labor*** apply in this story? How does specialization affect economic production? (*increases **productivity** and, therefore, the quantity of goods and services produced; standardizes production*) Does specialization make someone more or less dependent on others? (*more*)

3. What are some ways people ***specialize*** in your community? How does this make people in your community ***interdependent***? (*must depend on one another to provide goods and services*)

4. What is a ***marketplace***? Brainstorm examples of different marketplaces (*stores, city markets, auctions, stock markets, etc.*). How are they different? How are the same? (*always places where buyers and sellers get together to determine prices*)

5. How do rural ***marketplaces*** in less developed countries differ from a marketplace such as a large department store in the United States? (*haggling for prices, goods often displayed on ground, sometimes takes place only one or two days each week, etc.*)

6. When your family makes pancakes, do you follow all the steps in the story? Why not? (*It takes too much **scarce** time!*) How do ***marketplaces*** help you make pancakes? (*You can buy ingredients that others produce. You can even buy complete pancake mixes!*)

Follow-Up Activities

1. *Flow Chart*: Design a pancake production flow chart to go with this story.

2. *Kids in the Kitchen*: Make pancakes with your students and enjoy breakfast together. Have students list different items they could put into or on their pancakes to change the taste.

3. *Maple Syrup*: Do a teaching unit on maple syrup. Research information on how maple syrup is produced. Make a flow chart illustrating this process.

4. *How Other Products Are Produced*: Research how other products are produced. Research ingredients and the production process. Create your own story! (i.e., *Hot Dogs, Hot Dogs*; *Popcorn, Popcorn*; or *Soda, Soda.*)

Handout 1

PANCAKES, PANCAKES!

1. Put the following vocabulary words in the correct column:

wheat, donkey, miller, stone, water, Jack,
water wheel, egg, hen, milk, plate, cow, pail,
fire, firewood, mixing bowl, wooden spoon,
frying pan, mother, flail

Watch out! Some of them may be tricky! (For example, is a donkey a natural resource or a capital resource?)

NATURAL RESOURCES (Raw Materials)	HUMAN RESOURCES (Labor)	CAPITAL RESOURCES

2. On the back of this paper, draw pictures of natural, human, and capital resources.

Handout 2

WRITER'S JOURNAL

1. In your own words, explain what **specialization** means. *Why* do people specialize?

2. From the story, list at least three examples of **specialization**.

3. List all the steps Jack took in gathering the **ingredients** necessary for making pancakes.

3. On the back of this paper, draw and color a delicious plate of pancakes.

The Goat in the Rug

by Charles L. Blood and Martin Link
Simon & Schuster, 1984

Lesson Overview

Geraldine the goat literally puts her whole self into the weaving of a Navajo rug. After being sheared for her wool, she watches as Glenmae cleans, dries, combs, spins, and dyes her wool. Geraldine is so proud. A lot of her is in that rug. She hopes to grow her wool quickly so she can be a part of the next Navajo rug.

Key Economic Concepts

Unit Production
Assembly Line
Interdependence
Specialization
Division of Labor

Materials

Handouts 1 & 2
Glue
Construction Paper
Scissors

Teaching Procedure

1. After reading the story, define and discuss **unit production**. Point out that Glenmae did all the steps herself in the rug's production. Discuss how long this process could have taken. Use the illustrations of the story showing the regrowth of Geraldine's wool as an indicator of the passage of time.

2. Define and discuss **division of labor**, **specialization**, **interdependence**, and **assembly line**.

3. (optional) Illustrate these concepts by making "hamburgers" using Lesson 8 from the *Play Dough Economics* curriculum.

4. Using Handout 1, have students create a paper "rug." Follow these steps:
   a. Prepare a 9" x 12" sheet of construction paper to use as a "loom."
   b. Measure and cut ten 1" x 9" strips of paper in various colors.
   c. Have students weave paper strips on the loom and glue down all ends.

   Note starting and completion time.

5. For the assembly line part of Handout 1, assign jobs to several students:

    paper folders for looms
    paper measurer for looms
    paper cutters for looms
    paper ends gluers
    paper measurers for strips
    paper cutters for strips
    10 paper weavers

6. Specify some total number of minutes for unit and **assembly line production**. Compare and contrast the production results.

7. Using Handout 2 , have students design their own assembly lines to make a product (such as ice cream sandwiches, cookies, tennis shoes).

Key Questions to Ask Students

1. Was Glenmae producing a ***good*** or a ***service***? (*a good*)

2. Did Glenmae ***specialize*** in making the rug? (*No, she did everything herself. She engaged in* ***unit production****.*)

3. How long was the ***production*** time in the making of the rug? (*several weeks*) Why? (*because Glenmae did all the work herself*)

4. When people ***specialize***, like on an assembly line, they become more ***interdependent***. What does this mean? (*depend more on one another*)

Follow-Up Activities

1. *Field Trip Time!* Take a field trip to a candy factory or a bakery that uses assembly line production. Also try to visit a small business that produces the same products using unit production. Compare and contrast.

2. *How Much Does It Cost?* Compare the cost of products mass-produced to those made using unit production. Are they the same? Are they different? What would account for this?

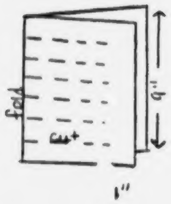
3. *Can It Be Done?* Can *services* be produced using an assembly line? Can they be produced using a *specialized* process that divides the labor? Visit a local electric company or water company and discuss these concepts during your visit, or have a company representative visit your classroom.

Handout 1

Making a Paper Navajo Rug

NAME ______________________________

UNIT PRODUCTION



Steps necessary to produce a "rug:"

1. Create Paper "Loom"
2. Cut 10 Strips
3. Weave Strips
4. Glue Ends

Amount of Time Used for Production: ______________

Number of Rugs Produced: ______________

ASSEMBLY LINE PRODUCTION

Number of People on the Assembly Line: ______________

Amount of Time Used for Production: ______________

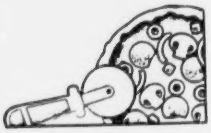
Number of Rugs Produced: ______________

Handout 2

DESIGN YOUR OWN ASSEMBLY LINE

NAME ________________________________

Design your own ***assembly line*** for making English muffin pizzas or fruit salad.



Brainstorm ideas of ***goods*** to produce. Choose one and design an ***assembly line*** for its production.

Mitchell Is Moving
by Marjorie Weinman Sharmat
Macmillan, 1978

Lesson Overview

Mitchell the dinosaur is bored and wants to move away. His decision to move costs him something, something very important left behind. Mitchell solves the dilemma, builds a new home, and keeps an old friend.

Key Economic Concepts

Choices
Scarcity
Human Resources
Capital Resources
Opportunity Cost
Productive Resources
Natural Resources

Materials

Handouts 1 & 2

Teaching Procedure

1. Following the reading of the story, discuss Mitchell's two choices: to move or to stay.
2. Explain **opportunity cost** and discuss Mitchell's opportunity cost.
3. Using Handout 1, tell students to pretend they are moving away in two weeks with Mitchell. They may take only one suitcase. Have students list, draw, or cut out magazine pictures of what they would like to take in the suitcase.
4. Explain that due to a **scarcity** (be sure to define this) of space, they may only choose two items to take. Have the students circle the two items on their suitcase.
5. In small groups, have the students explain their choices.

6. Since all students will be living with Mitchell in one hut, tell them that they can now only take one item, again due to a **scarcity** of space. Have students choose the one item and explain their choice. Discuss the **opportunity cost** of each choice.

7. Using Handout 2, have students write their choice and their opportunity cost on the appropriate tag.

8. Have students color and cut out the suitcases and luggage tags. Attach tags to suitcases with yarn. Display on a bulletin board.

Key Questions to Ask Students

1. What ***choices*** did Mitchell have? (*to move, to stay*)

2. What did he decide? (to move) What was his ***opportunity cost***? (*to stay*)

3. What ***productive resources*** did Mitchell use when making his new hut? (*stones, large boulders, trees, bushes, mud, flowers, wood, himself, tools to put doorknob on and to plant flowers*)

4. Which of these ***productive resources*** are human, capital, or natural?

Follow-Up Activity

1. *Build a House!* Divide the class into small groups and give each group a baggie of assorted items such as: small amount of clay, yarn, paper clips, rubber bands, squares of paper, popsicle sticks, toothpicks, small pebbles, or beads. As a group, students should build a house with the items in the baggie. Following the activity, discuss scarcity and productive resources.

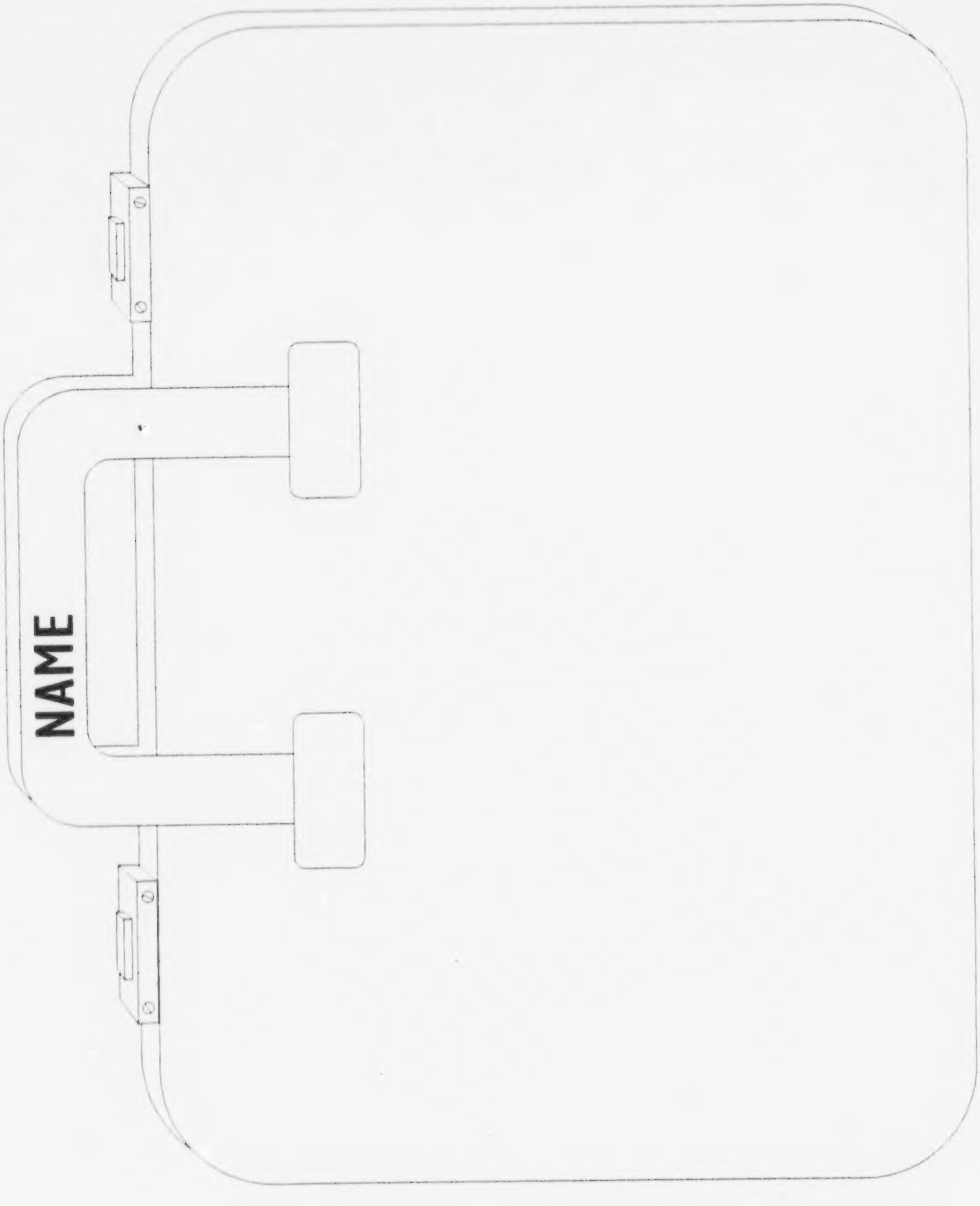
2. *My Scarcity Situations:* Complete the "My Scarcity Situations" worksheet in Part 3.

3. *Bulletin Board:* Have your students create an "Opportunity Cost" bulletin board.

4. *Econ and Me:* View and discuss the "Opportunity Cost" lesson from the *Econ and Me* video series.

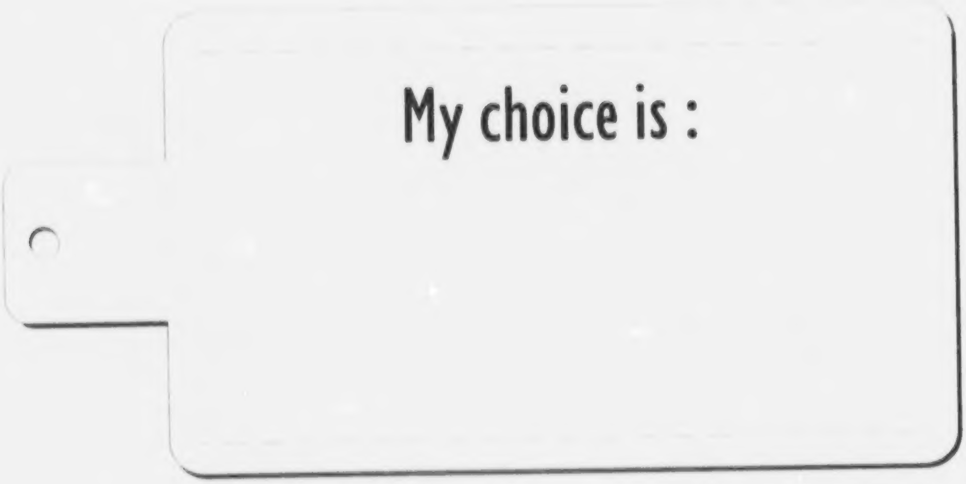
Handout #1

Mitchell Is Moving

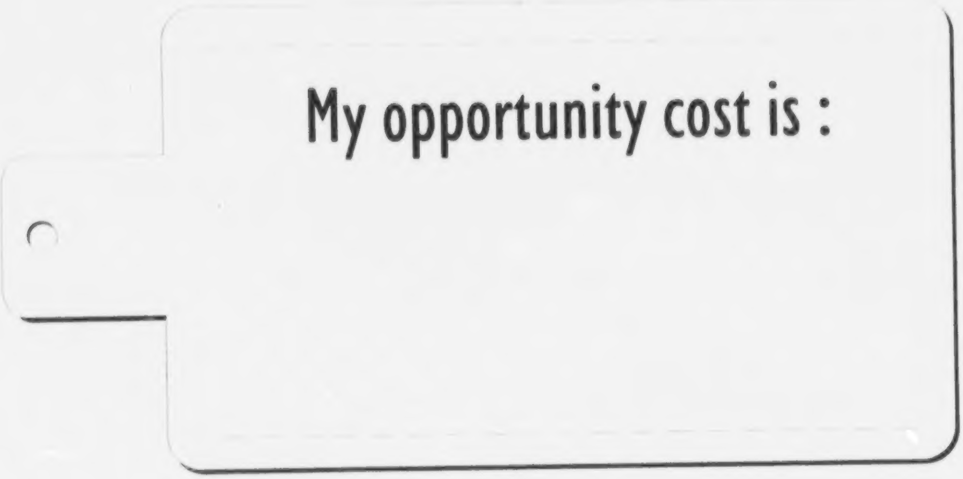


Handout #2

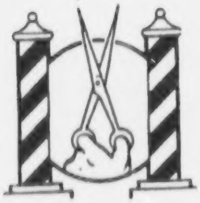
Mitchell Is Moving



My choice is :



My opportunity cost is :



Uncle Jed's Barbershop

by Margaret King Mitchell
Simon & Schuster Books, 1993

Lesson Overview

Uncle Jed's Barbershop is a heartwarming story about a barber who travels the countryside cutting poor folks' hair. Uncle Jed has a kind heart and a giving spirit. He lives for the day that he can own his own barbershop. It takes a long time and many setbacks before his lifelong dream is fulfilled. This is a wonderful story that emphasizes the true spirit of sacrifice, love, and commitment to a dream.

Key Economic Concepts	Specialization	Opportunity Cost
Materials	Handouts 1, 2, & 3	

Teaching Procedure

1. Carefully read and discuss this story with your students. Define the words **sacrifice**, **specialization**, and **opportunity cost**.
2. Discuss the economic concepts of specialization and opportunity cost and how they relate to Uncle Jed.
3. On Handout 1, complete the chart by identifying special services provided by the businesses. After students finish, discuss why businesses specialize in the goods and services they produce.
4. Have students complete the *Writer's Journal*, Handout 2.
5. Complete Handout 3, *My Opportunity Costs*. Divide students into small groups to discuss their opportunity costs.

Key Questions to Ask Students

1. Did Uncle Jed produce a ***good*** or a ***service***? (*service*)

2. What is ***opportunity cost***? (*your next best alternative*) What was Uncle Jed's opportunity cost when he decided to help Sarah Jean? (*giving up using his money for a barber shop*) How do you make good choices? (*consider all opportunity costs*) What was the opportunity cost of a decision you made?

3. What does it mean to **specialize**? (*working in jobs where you produce a few special goods or services*) How are the terms **specialization** and **careers** related? Discuss why a community needs people doing many specialized jobs. What would our community be like if no one wanted to specialize in medicine, education, business, etc.?

4. Are we ever too old to fulfill our dreams? Uncle Jed was 79 years old when his dream came true. Can you think of others who had to wait until old age to fulfill their dreams? (*Grandma Moses, Col. Sanders from Kentucky Fried Chicken*) What are your dreams? What special ***good*** or ***service*** do you want to produce when you grow up? What education or special training will you need to fulfill your dream?

Follow-Up Activities

1. *Play Dough Economics:* Give each child a piece of play dough. Have them show someone specializing as they produce a service.

2 *Career Day:* Have a career day where members of the community speak about their careers. Have students research and write about what good or service they want to provide when they grow up. Discuss what effect their career could have on their community. (This is a good time to discuss economic interdependence.)

3. *Recording Opportunity Costs:* Have students record in their journals the opportunity costs of the decisions they made during a day. This helps students become aware of how many daily decisions they make and what they must give up with each decision. Students can use the "My Scarcity Situations" handout from Part 3.

Handout 1

Special Services in Our Community

BUSINESS **SPECIAL SERVICE**

Beauty Salon ____________________

Doctor's Office ____________________

Auto Repair ____________________

Realtor's Office ____________________

Photo Store ____________________

Lawn Care Business ____________________

Hospital ____________________

Tailor Shop ____________________

Florist Shop ____________________

Dry Cleaners ____________________

Lawyer's Office ____________________

Plumber's Shop ____________________

Handout 2

Writer's Journal

1. In your own words, tell how you think Uncle Jed felt about giving up all his money for Sarah Jane's operation.

____

____

____

____

2. Write four words that describe Uncle Jed's personality.

______________________ ______________________

______________________ ______________________

3. What **good** or **service** would you like to produce when you grow up? Write about your special dream.

____

____

____

4. What education or special training will it take to fulfill your dream?

____

____

____

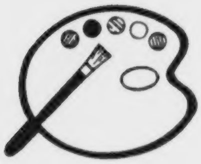
Handout 3

MY OPPORTUNITY COSTS

	A Decision I Made	My Opportunity Cost
1.		
2.		
3.		
4.		
5.		
6.		
7.		

Which decision was the most difficult for you? ______________________

Why was it the most difficult? ______________________



The Little Painter of Sabana Grande

by Patricia Maloney Markun
Bradbury Press, 1993

Lesson Overview

Fernando loves art and is going to paint for the first time. He learns to make paint from natural resources. Unfortunately, he has no paper! After much persuasion, Fernando's parents allow him to paint the outside of their adobe house. Now all his neighbors want houses like the Espino family.

Key Economic Concepts

Productive Resources
Natural Resources
Capital Resources
Trade
Human Resources

Materials

Handout 1 & 2

Teaching Procedure

1. Define and discuss **productive resources**.

2. While reading the story, have students identify the productive resources and place them in the correct category on Handout 1.

3. Define **trade**. Brainstorm and discuss how Fernando might get the paper he so desperately wants. List these on the board.

4. Do the following trading lesson adapted from Lesson 6 in *Play Dough Economics.* Give students five - ten minutes to make a good out of clay. Give each student a chance to tell about his or her good. Explain that students will have four minutes to **trade** for the good they want most. They may trade **goods** or **services**, and may make as many trades as they want. Discuss possible services they might perform to acquire a good.

5. Perform trades. After five minutes, discuss the trading outcomes.

6. Explain that **trades** are made daily by each of us in many ways. Brainstorm some of the ways trading might occur during a student's day. For example, a student might trade an eraser to get a pencil. A student might get to go to the movies by washing the family car.

7. Encourage students to make trades throughout one week, using Handout 2 to monitor the trades. At the end of the week, discuss the trading outcomes.

Key Questions to Ask Students

1. What ***productive resources*** did Fernando use to create his paintings? (*charcoal, berries, dried grass, clay, paintbrushes, clay posts, adobe house, himself*)

2. Which are ***natural***, ***capital***, and ***human resources***? (*natural: charcoal, berries, dried grass, clay; capital: clay pots, paintbrushes, adobe house; human: Fernando*)

3. How could Fernando have gotten the paper he wanted? (*buy it, trade a* ***good*** *for it, trade a* ***service*** *for it*)

4. When people make a ***trade***, who benefits? Why? (*both, since they both get what they want*)

5. Why is trading sometimes difficult? (*Each person must want what the other has. We use* ***money*** *to make trade easier.*)

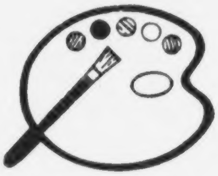
Follow-Up Activities

1. *Nature's Own Colors*: Create your own set of colors using natural resources. Tea bags in warm water create brown. Onion skins boiled in water create golden yellow. Mashed beets or crushed red raspberries give a reddish purple color; crushed blueberries provide blue. Research and create other colors. Paint with all these natural colors. Let students trade for a color they do not have.

Handout 1

The Little Painter's Productive Resources

NAME ____________________________________



As you read, list the **productive resources** mentioned in the story. Decide if they are **natural**, **human**, or **capital resources**.

Human	Natural	Capital

Pretend that you are a candle maker. Draw or cut out pictures for the **productive resources** that you might use.

Human	Natural	Capital

Handout 2

The Trades I Make!

NAME____

For one week, keep track of the trades in Section A that you make to acquire the goods or services you want. At the end of the week, complete Section B at the bottom of the page.

SECTION A

Day of Week	What You Traded	What You Received

Section B

(Use tally marks to complete this section.)

1. Number of trades: ____________________
2. Number of goods traded for goods: ____________________
3. Number of goods traded for services: ____________________
4. Number of services traded for goods: ____________________
5. Number of services traded for services: ____________________

Ant Cities

by Arthur Dorros
Crowell, 1987

Lesson Overview

This is a nonfiction story about different kinds of ants and how they live and work together. Ants live in colonies, and all ants have particular jobs to do, much like workers in our cities. Working together, ants keep their "cities" growing and surviving almost anywhere.

Key Economic Terms

Jobs
Workers
Taxes
Wages
Services
Government

Materials

Handouts 1 & 2
Candy Treats

Teaching Procedure

1. While reading the story, compare the types of ants and their **specific jobs** to workers in your own community.
2. Following reading, complete Handout 1, referring to class discussion.
3. Explain that certain **services** (jobs) are often performed by government agencies. Give examples: police officers, trash collectors, water department workers, highway workers, etc.
4. Review why people have jobs: to earn money (wages) to purchase **goods** and **services** they do not provide for themselves.
5. Discuss **taxes**. Explain that citizens pay taxes to the government, which then pays the wages of its workers. (Optional: Discuss some different kinds of taxes.)
6. Refer to Handout 1 and identify the community jobs that are often provided by government agencies. Discuss which of these jobs can also be provided by private businesses. (water, trash, etc.)

7. Using Handout 2, let students color, cut out, and count their money. Tell students this is their weekly pay. They can use it to buy some candy treats. But wait! First they must pay for certain **government services**. Collect $.50 for road repair, $1.00 for police and fire protection, and $.75 for trash pick-up. As each transaction takes place, students should calculate how much pay is left. Let students buy candy treats with their remaining money. Discuss the activity.

Key Questions to Ask Students

1. What are the ***jobs*** of some of the ants? (*harvester, workers, etc.*)
2. Do they provide ***goods*** or ***services***? (*services*)
3. How do these jobs compare to jobs in your community? (*highway workers, trash collectors, grain elevator workers, builders, pest controllers, cooks, moms, armed services, police, etc.*)
4. How are your community workers paid? (*with wages*)
5. Where does the money come from to pay these **wages**? (*private employers, taxes collected by government*)
6. Why do people pay ***taxes***? (*to pay for certain services that may not be provided sufficiently by private businesses: police protection, national defense, roads*)

Follow-Up Activities

1. *Design Your Own Money*: Use a blank form and have students design their own currency for use in a class mini economy.
2. *Let's Visit the* ____________________: Take a field trip to the local trash, water, highway, fire, or police departments. Visit the mayor, city hall, or a local legislator. Create a class book of the jobs explored.

Handout 1

Ants and Community Workers

How Do They Compare?

NAME ______________________________

Complete the table below referring to the story if needed. List the types of ants, what job each ant performs, and who in your own community might perform that kind of job.

Type of Ant	**Job it Performs**	**Community Worker**

Handout 2

How Our Taxes Work!

Hurray! Today is PAY DAY! This money is your **wage** for work completed this week. You will be able to buy some candy treats with it! Color and cut out the money. Fill in the table below as directed by your teacher.

Amount you were paid ____________________

Taxes ____________________

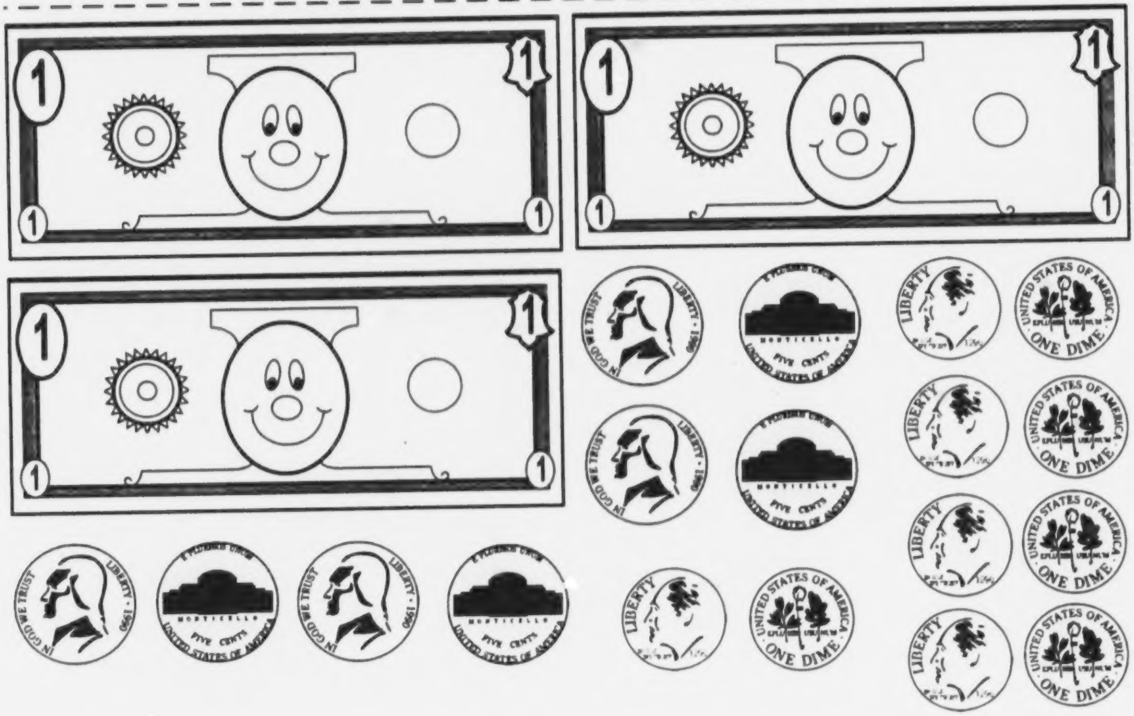
Subtotal ____________________

Taxes ____________________

Subtotal ____________________

Taxes ____________________

Amount left after all taxes ____________________


1
IN GOD WE TRUST
LIBERTY
1990
MONTICELLO
FIVE CENTS
UNITED STATES OF AMERICA
ONE DIME

Follow An Ice Cream Cone Around The World

by Neale S. Godfrey
Silver Press, 1996

Lesson Overview

Travel around the world with the Green$treet kids as they discover what it takes to make ice cream. Through this story, the students will visit the places where the different ingredients (natural resources) in ice cream are found. There are many Billboards in the story that provide interesting facts pertaining to ice cream.

Key Economic Concepts

Productive Resources
Market Price
Interdependence,
Supply & Demand

Materials

Handouts 1 & 2

Teaching Procedure

1. Discuss with your students about all of the productive resources used in ice cream production. Emphasize how we often use resources from other countries to produce ice cream (interdependence).

2. Read the story once for fun. Then read it again and list on the board the ingredients found in ice cream. Discuss the "billboards" found in the story. (Billboards give interesting facts about ice cream.)

3. Using the world map, locate countries or states which have natural resources (raw materials) used in the production of ice cream. Complete Handout 1 together.

4. Brainstorm and list brand names of ice cream and ice cream flavors. Discuss marketing and advertisements. What do we look for when we buy ice cream? (good taste, pretty packaging, price, etc.) Discuss how advertising affects the demand for ice cream.

5. Using Handout 2, have students draw and design their own brand of ice cream. Discuss marketing concepts and techniques. Discuss the terms **consumer**, **producer**, **perishable**, and **nonperishable**.

6. Have students get the market price of particular brands of ice cream.

Key Questions to Ask Students

1. Who are the ***producers*** in this story? Who are the ***consumers***? Who ***demands*** ice cream? (*consumers*) Who ***supplies*** ice cream? (*producers*)

2. Give examples of ***interdependence*** found in this story. Why did the ice cream producers get raw materials from other countries? (*They didn't have certain raw materials and could get them more cheaply from other countries. This keeps the price of ice cream lower for consumers.*)

3. Why do ***producers*** sell so many different kinds of ice cream? How do producers get ***consumers*** to buy their ice cream?

4. What is the ***market price*** of a half gallon of vanilla ice cream? Why does the price vary from brand to brand and from store to store?

Follow-Up Activities

1. Grocery Shopping: Have students go grocery shopping with their parents and list all the ice cream products, brand names, and prices they observe.

2. *Play Dough Production*: Give each student a variety of colors of play dough and have them develop a new ice cream flavor. To increase the demand for their product, write a descriptive advertisement.

3. *Dairy Farm*: Visit a dairy farm or have a dairy farmer visit and talk to the students about owning a dairy farm. List all the related products that we get from cows. Read *Who Owns the Cow* by Andrew Clements.

4. *Kids in the Kitchen Day*: Make homemade ice cream. Compare the taste with ice cream bought at the store.

5. *Collage*: Make a collage (using pictures from magazines or newspaper advertisements) of a variety of ice cream products. List market prices.

Handout 1

Follow An Ice Cream Cone Around The World

Natural Resource (Raw Materials)	Location
Milk	
Sugar Cane (sugar)	
Orchids (vanilla beans)	
Cacao beans (cocoa)	

Draw and label ***capital resources*** used to produce ice cream:

Handout 2

The Ice Cream Company

Brand Name of Ice Cream: ______________________

Company Name: ______________________

Produced in: City ______________ State ______________

Flavor: ______________ Market Price Per Gallon: ______________

Draw and design your own ice cream product. Write a paragraph explaining why consumers should buy *your* ice cream instead of another brand!

The Tortilla Factory

Gary Paulsen
Harcourt Brace & Company, 1995

Lesson Overview

The Tortilla Factory is a simple, yet enjoyable way to introduce the concept of production to your students. The book very simply explains the process of producing tortillas, from collecting the productive resources to marketing the final product. Students will learn the differences between the natural resources, capital resources, and human resources used in production.

Key Economic Concepts

Natural Resources
Capital Resources
Human Capital
Interdependence
Productive Resources
Human Resources
Investment

Materials

Handouts 1 & 2
Classified Newspaper Ads
Magazines for cutting out pictures

Teaching Procedure

1. Read *The Tortilla Factory* orally to the class. Be sure to show all illustrations to the class as you read.
2. Write the words **Natural Resources**, **Human Resources**, and **Capital Resources** on the board. Before giving the definitions to the students, let them brainstorm what they think each concept might mean.
3. On the board, list each **productive resource** found in the book under the correct category.
4. Have each student choose three items from his or her desk (e.g., textbook, pencil, paper, ruler). Using Handout 1, have students list the specific **productive resources** necessary to produce the item.

5. Complete Handout 2, where students make a **human resources** collage. Provide the class with numerous magazines to use for cutting.

6. Complete Handout 3. Students must cut out different jobs from the classified advertisements, listing the necessary education/training and skills and estimating a yearly salary/wage. *You may want students to cut out more than three jobs.* Discuss the handout questions.

Key Questions to Ask Students

1. What ***production*** steps are required to produce the tortillas? (*farmer collecting productive resources to grow corn, someone picking corn, truck taking corn to factory, machines grinding corn, etc.*)

2. What are the three ***productive resources***? (*Natural, human, capital*)

3. Can you produce tortillas without the use of ***natural resources*** (raw materials) or ***human resources***? Explain. (*No, you need both. You need raw materials to have something for the human resources to process.*)

4. What ***capital resources*** are used to produce the tortillas? *(trucks, machines, buildings*, etc.) How do producers *get* **capital goods**? (*They must* **save** *— forgo buying consumption goods — and then* **invest** *the savings in capital goods. This requires discipline and risk taking. There is no guarantee the investment will be profitable.*)

5. What special ***human capital*** (skills, training, education) do human resources need to produce tortillas? (*knowledge in growing corn, using capital resources, etc.*)

6. In the story, what are some examples of ***interdependence*** in the production of tortillas? (*depending on other producers to make tools and equipment, drive trucks, grind corn, grocery store to sell , etc.*)

7. Bonus Question! What do the producers of tortillas have to do to make a ***profit***? (They have to receive a ***price*** for their product that will cover all of their ***costs*** of production!)

Follow-up Activities

1. *Field Trip*: Go to a factory where unit production is taking place.
2. *Assembly Line*: Design and produce a product using an assembly line.

Handout 1

From Start To Finish

Product	**Natural Resources** (Raw Materials)	**Human Resources**	**Capital Resources**

Choose one of the above items. Draw a sequence of pictures from start to finish showing how the product is made.

Handout 2

Human Resources

When you grow up, **you** will have to produce a good or a service. What human resources will you need?

Using clippings from magazines, make a collage of people (human resources) performing jobs. List the ***human capital*** (special skills and education) necessary to do the work. Use other sheets of paper if necessary.

Picture of People Working (Human Resources)	**Necessary Human Capital** (Education, Skills, Training)

Handout 3

Classified Advertisements Worksheet

Name: ______________________________

Classified Advertisements (attach below)	Education, Training Requirements	Necessary Skills
1.		

Yearly Wage/Salary ____________________

2.

Yearly Wage/Salary ____________________

3.

Yearly Wage/Salary ____________________

Answer these Questions about the Classified Advertisements.

1. Which job pays the most? ______________________
   Which job pays the least? ______________________

2. Which job demands the most education and training?
   ____

   Which job demands the most skills? ______________________

3. What relationship do you see between the job salary and the required education/training and skills requirements?
   ____
   ____

4. What is the term economists use to describe the education, training, and skills that ***human resources*** have? ______________________

5. What ***good*** or ***service*** do you want to produce when you are an adult?
   ____

6. What ***education/ training*** will you need?

   ____
   ____

7. What kind of ***skills*** will you need? ______________________
   ____
   ____

A CHAIR FOR MY MOTHER

By Vera B. Williams
Mulberry Books, 1982

Lesson Overview

When all their possessions were burned in a fire, a little girl, her mother, and grandmother save all their extra money to buy a special chair. The characters make choices to save in order to obtain something important to them.

Key Economic Concepts

Human Resources
Savings
Scarcity
Wages
Consumers
Opportunity Cost

Materials

Handouts 1 & 2
3 x 5 Cards

Teaching Procedure

1. Discuss decisions that people make concerning money. What do people do with their money? Write their responses on the board.

2. Read the story to the class.

3. Explain **human resources** and **wages**. Discuss "tips" and how they differ from wages. Form groups and have each group create a list of what students would save their tips for if they worked in a restaurant. Write the lists on large sheets of paper and display them in the room or hallway. Entitle the lists "Economic Wants We Would Save For."

4. Introduce the economic concepts of **scarcity** and **opportunity cost**.

5. Have each student draw and color a picture of a favorite good on a 3 x 5 card. Put cards on the board with masking tape. One at a time, have students identify their two best choices, choose the good they want, and identify the **opportunity cost**. (Lesson 4 in the *Play Dough Economics Curriculum* is a similar activity for teaching opportunity cost.)

6. Complete Handout 1.

7. Discuss family budgets. What goes into a budget? How are they helpful? Why are they difficult to keep? Complete Handout 2 on budgeting. Have each group put its budget on a transparency when presenting to the class.

Key Questions to Ask Students

1. Explain the difference between a ***producer*** and a ***consumer***.

2. What are examples of ***human resources*** in the story? (*workers in diner, salespeople in store*) What do human resources receive for their labor? (***wages*** and ***salaries***)

3. What are examples of ***scarcity*** *and* ***opportunity cost*** in the story? (*Not enough money; choosing to save instead of buying other things, choosing one color of chair instead of another, etc.*)

4. What is the opportunity cost of ***saving***? (*not being able to buy something you want in the present*) Which is more difficult — spending or saving? (*Saving!*) Why? (*It takes discipline to forgo current wants.*)

5. What is the opportunity cost of spending? (*not saving for the future*)

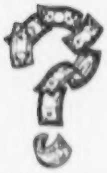
Follow-Up Activities

1. *Create a List*: Have students create a list of all the people and their responsibilities that make a diner successful.

2. *Field Trip:* Take a field trip to a local diner or restaurant.

3. *Speaker:* Invite a banker to speak to the class about saving and investing.

4. *Classroom Jobs:* Create classroom jobs and pay students. Require them to save a percentage of their earnings and keep accurate records.



Handout 1

Opportunity Cost

---

1. Your aunt sent you $15 for your birthday. In the space below, draw, label, and color *two* ***goods*** (each with a price of $15) that you would like to buy with the money. Unfortunately, you can only buy one!

What is your scarcity problem? ____________________
Which good would you buy? ____________________
What is your opportunity cost? ____________________

2. This is your lucky day! Your Uncle Joe sent you $20 for being a great kid. In the space below, draw, label, and color *three* ***goods***, each with a price of $20, that you would like to buy.

What is your scarcity problem? ____________________
Which good would you buy? ____________________
What is your opportunity cost? ____________________

3. If you decide to *save* the $20 your uncle sent you instead of spending it, do you still have an opportunity cost? Explain.

4. On the back create some other opportunity cost situations/problems.

Handout 2

Family Budgets

Pretend your group is a family of four. You must plan a monthly family budget with an after tax income each month of $2,400. You must allocate money for the budget categories below. Make the best estimates you can. (You may need some grown-up advice!) When you are done, present your family budget to the class. How does your budget compare with the budget of the other groups? Does your teacher think it is a realistic budget? Show your budget to your parents and get their reaction!

Rent or House Payment

Food

Utilities (gas, electric, water, sewage, trash — estimate each one!)

Cable TV

Clothing Costs

Costs of Kid's Activities (Choose several.)

House Maintenance

Car Repair Bills

Gasoline

Recreation (ball games, movies, etc.)

Eating Out

Presents (birthday, Christmas savings, etc.)

Other Expenses (stamps, kid's allowances, vacation savings fund, etc.)

ALL THE MONEY IN THE WORLD

By Bill Brittain
Harper & Row, 1979

Lesson Overview

Quentin Stowe is an ordinary boy who catches a leprechaun. His wish for all the money in the world is granted, and ends up causing many unexpected problems. As Quentin helps to solve these problems, he learns much about the important economic concept of money.

Key Economic Concepts

Money
Market Price
Role of Government
Barter
Scarcity
Inflation

Materials

Handouts 1& 2
Five-Step Decision Grid (from Part 3)

Teaching Procedure

1. Before introducing the story, discuss these questions with the class.

    a. What is money? (*anything commonly used to exchange goods and services*)
    b. Why do we have money? (*medium of exchange — to make trade easier*)
    c. What are the different types of money that has been used? (*possible responses: wampum, tobacco, paper, gold & silver coins*)
    d. Ask students to describe a world without money!

2. Explain the four characteristics of money (*scarce, durable, divisible, portable*). Discuss why these characteristics are important.

4. Read the book. Throughout the story, discuss the economic concepts.

5. Complete Handouts 1 and 2.

6. To supplement the concepts of barter, money, and inflation, you can use activities from the *Play Dough Economics* curriculum.

Key Questions to Ask Students

1. The money Quentin had was ***currency***. Today, what makes up most of the money supply (M1)? (*checking and savings accounts — in fact, the M1 money supply is about two thirds checking accounts! In real life, even if Quentin had all the currency, people could still use checks!)*

2. What does ***barter*** mean? (*exchanging goods/services without money*) Why is barter difficult? (*Each person must want what the other has!*)

3. Which of the four characteristics of money is most important? (*scarcity*) Why? (*If it's not scarce, the other characteristics don't matter much.*)

4. In the story, how did the people of Cedar Ferry make their new money, Dillies, "scarce"? (stamping it with "Cold Cut") How do we keep our real money scarce? (*The U.S. Treasury makes it very hard to counterfeit.)*

5. In an economy, what happens when governments print too much money to pay debts? (***inflation****)* If the price of milk rises, does this mean there is inflation? (*not necessarily; inflation is when all prices rise*)

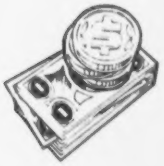
6. Are **credit cards** the same as money? (*No, credit cards are a form of borrowing. You must pay them back with money.*)

Follow-Up Activities

1. *Video Programs*: Use the excellent videos, *The Fisherman Who Needed a Knife* and *Why Money* (Lesson 9 from the *Trade-Offs* series).

2. *Recording Price Changes:* Research past inflation rates. Also research the price changes of *specific* products. Graph the results.

3. *Write a Skit*: Write a skit illustrating how money makes trade easier.



Handout 1

Money

Divide into groups of 4-5. Pretend your group is a country. In the space, design a currency. Make sure that you make it difficult to counterfeit! Then answer the questions about your country's money system. Use the back if necessary.

Our Currency

- -

1. How did you make your currency difficult to counterfeit? In other words, how did you make it **scarce**?

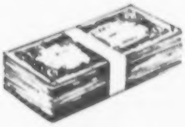
2. Will you allow checks (checking accounts) to be used as money? Explain.

3. How will your country get more money if it needs it?

4. How will your country keep **inflation** from happening?

5. Will people in your country use credit cards? How are credit cards different from money?

Handout 2

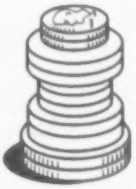


Which Money Is Best?

Many things have been used for money. To be effective, money should have four characteristics. It should be:

- SCARCE — not easy to get or copy
- PORTABLE — easy to carry
- DIVISIBLE — easy to divide
- DURABLE — long-lasting

These items have been used for money in U.S. history:



Wampum (small beads made from shells, woven together)
Tobacco (especially in colonial Virginia)
Gold coins
Paper

Directions:

1. Use the Five-Step Decision Model (in Part 3 of this curriculum) to determine which item would be best to use for money.

2. In the space below, write a paragraph explaining your decision. Use complete sentences and correct grammar and spelling.

The Best Money

From the Mixed Up Files of Mrs. Basil E. Frankweiler

By E.L. Koningsburg
Houghton Mifflin Company, 1967

Lesson Overview

Eleven-year-old Claudia Kincaid feels that too much responsibility has been placed on her at home. To make her family appreciate her more, she decides to run away from home. Claudia persuades her younger brother, Jamie, to accompany her on a trip to a most unlikely place — the Metropolitan Museum of Art in New York City.

Key Economic Concepts

Scarcity
Savings
Price
Inflation
Goods and Services
Opportunity Cost
Interdependence

Materials

Handouts 1 & 2

Teaching Procedure

1. Before reading, give a brief background on the New York Metropolitan Museum of Art, including the location and the types of items on display. Ask students what kinds of things they would have to consider before running away to the Metropolitan Museum of Art.

2. Read *The Mixed Up Files of Mrs. Basil E. Frankweiler*. This book can be read two chapters at a time for a total of five reading days.

3. Define and discuss the key economic concepts. Tell students to point out examples of these concepts as you read.

4. After discussing the concepts, focus specifically on the concepts of **scarcity** and **opportunity cost**. Divide students into small groups and complete Handout 1. (The Decision Tree and Five-Step Models are in Part 3.)

5. Discuss the concept of **relative scarcity** (i.e., how the price of a good reflects how scarce it is relative to another good). Complete Handout 2.

Key Questions to Ask Students

1. What is the difference between a ***good*** and a ***service***? What ***services*** did the children depend on to help make their escapade a success? (*school bus, train, museum, taxi, newspaper, etc.*) This is an example of what economic concept? (*interdependence*)

2. What does the economics term ***scarcity*** mean? (*the condition of not being able to have all of the goods and services one wants*) How do we know a good or service is scarce? (*It has a* ***price****.*) What was the children's most frequent scarcity problem? (*scarcity of money!*) What does scarcity always force us to do? (*make choices*)

3. How do we know if a good or service is ***more scarce*** than another? (*It has a higher price.*) What was the best example of a very scarce item in the story? (*angel statue of Michelangelo*) Why did it sell for only $225 in the auction? (*No one knew it was genuine, i.e., extremely scarce!*)

4. Compared to prices today, the prices of things in the story (e.g., tuna sandwich — $.35) were very inexpensive. What is it called when the prices of almost all goods and services increase over time? (***Inflation***) What is the basic cause of inflation? *(too much money created relative to available goods and services)*

5. Claudia and Jamie made many choices. When Claudia chose to visit the U.N. instead of having dessert, what was her ***opportunity cost***? (*dessert!*) What were other examples of opportunity cost in the story?

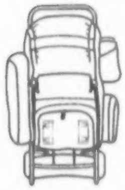
Follow-up Activities

1. *Video*: View the video *From the Mixed Up Files of Mrs. Basil E. Frankweiler.*

2. *Art Report*: Have students research and give an oral report on some of the art in the Metropolitan Museum of Art. What were some prices of the art pieces? Discuss why some art is very expensive and some isn't.

3. *Opportunity Cost Bulletin Board*: Display student descriptions and illustrations of a recent choice and the resulting opportunity cost.

4. *My Scarcity Situations:* Have students complete this scarcity and opportunity cost activity from Part 3 of this curriculum.



Handout 1

What Should I Take?

Fortunately, you're not running away from home like Claudia and Jamie! However, your best friend has invited you to go on a one week backpacking trip in the Rocky Mountains. Your friend says you *must* take a sleeping bag, tent, canteen, mess kit, food, and a backpack. You want to take *many* extra things, including matches, extra clothes, maps, flashlight, extra flashlight batteries, knife, ax, aspirin, suntan lotion, mosquito repellent, poncho, books, first aid kit, compass, harmonica, collapsible fishing rod and gear, binoculars, and a book entitled *Surviving in the Wilderness*.

A. Unfortunately, you can only fit *nine* of these extra items in your backpack. In the blanks below list them *in order of importance*.

1. ____________ 2. ____________ 3. ____________

4. ____________ 5. ____________ 6. ____________

7. ____________ 8. ____________ 9. ____________

B. What is your ***scarcity*** problem? ____________

C. What does scarcity force you to do? ____________

D. When you make choices there are alternatives you do *not* choose. When you chose your ninth item above, what was the next best item you did *not* choose? ____________ In economics, what do we call this next best alternative? ____________

E. Use the Decision Tree or the Five-Step Decision Grid to show why you chose item nine above instead of the next best item.

Handout 2

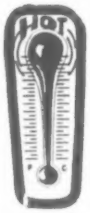
Scarce and More Scarce!

In economics, any good or service that has a price is considered scarce. However, some goods and services are ***more scarce*** than others. For example, a pencil is considered a scarce good since it is not freely available and has a price. It is not *as* scarce, however, as a gold necklace. *The more scarce something is, the higher its price.*

Sometimes events occur that change the scarcity of certain goods or services. Read each scenario below and answer the questions.

1. A snow storm with record snowfall suddenly hit Indiana in late October. What goods or services might become much more scarce? Why?

2. Your geographical region has been hit with a record heat wave. Record high temperatures are expected for the next several days. What goods and services might become *more scarce*? Would their prices rise? Explain why or why not.



3. Draw a cartoon strip illustrating a situation in which the relative scarcity of a good or service changes (for example, see 1. and 2. above).

EXTRAS! EXTRAS!

Cally's Enterprise

By Claudia Mills
Avon Camelot, 1988

Lesson Overview

Cally's Enterprise features Cally Lippincott and Chuck Foster as the main characters. Cally first meets Chuck while she is at home recuperating from a broken leg. Chuck appears at her door as part of a newspaper selling contest asking people to buy a subscription to the local paper. Chuck is trying to win a trip to Ocean City and wants Cally to become his partner in the contest. He agrees to give Cally half of the profits when they win.

Key Economic Concepts

Goods/Services
Partnership
Opportunity Cost
Marketing Strategies
Starting a Business
Entrepreneur
Market Economy
Competition

Materials

Handouts 1 & 2

Teaching Procedure

1. Read and discuss Chapters 1 - 4. Discuss what things Cally considered (time involved, school work, leisure time, etc.) before accepting Chuck's offer. Explain and discuss the concept of **opportunity cost**.

2. In groups, have students complete Handout 1. Encourage students to use the **Decision-Making Grid** in Part 3. Discuss answers.

3. Read and discuss Chapters 5 - 8. Discuss the **marketing strategies** Cally and Chuck used to get people to buy a paper.

4. Complete Handout 2.

5. Read and discuss Chapters 9 - 13. Discuss what effects, both positive and negative, that losing the contest had on Chuck and Cally's **partnership**.

6. After completing the book, refer back to the key economic concepts listed above. Put a brief definition of each concept on the board. Organize the class into groups of 3 or 4. Have students discuss each term and decide how they relate to Cally and Chuck.

Key Questions to Ask Students

1. Why did Chuck want Cally as a business partner? (*He could sell a lot more newspapers in a shorter amount of time.*)

2. What are some possible disadvantages of forming a business ***partnership***? (*You have to share profits; there may be disagreements.*)

3. Were Cally and Chuck trying to sell a ***good*** or a ***service*** to their prospective customers? Explain your answer. (*Both — a newspaper is a good, but delivering it is a service.*)

4. What was the ***opportunity cost*** of Cally's decision to help Chuck? (*Whatever else she would have done with her time spent on the business!*)

5. Why is a newspaper business dependent on its ***marketing*** department? (*Without new subscribers, the newspaper business would lose money and might even have to go out of business.*)

6. What are the benefits to the newspaper of doing business in a ***market economy*** as opposed to a ***command economy***? (*In a market economy, the newspaper is free to make its own business decisions. It can set prices, develop its own marketing strategies, hire and fire employees, etc. It is also free to express ideas and opinions that the government may not like.*)

7. Consumers benefit the most in a market economy when there is ***competition*** among sellers. Is there competition for a local newspaper, which may be the only one in town? (*Even though there is only one newspaper, there is still other competition. There are regional and national newspapers, news magazines, the internet, etc. This competition forces local newspapers to keep their prices competitive and provide good service.*)

Follow-up Activities

1. *Bulletin Board*: Use advertisements from your town's newspaper to develop a bulletin board entitled "Businesses in Our Community." Divide the board in half, displaying local goods for sale on one side and local services for sale on the other.

2. *Class Visitor*: Invite an advertising executive to speak to the class.

3. *Create Ads*: Create new ads for local businesses and ask the owners to critique them.

Handout 1

Decisions, Decisions!

Every day each of us, individually or in groups, must make decisions. Many of these are relatively unimportant, but some may be very important and will affect not only ourselves, but others around us. Below are some situations that require a choice. In each situation, identify what is **scarce**, your decision, the **opportunity cost** of your decision, and why you made your decision.

1. You want to go to the championship basketball game tonight at the gym. But you have not finished your science project, which is due tomorrow. It will take at least four hours to complete the project. What will you do?

   What is Scarce? ______________________________

   Decision ______________________________

   Opportunity Cost ______________________________

   Why? ______________________________

   ____

2. You have $10 in your savings account. The new T-shirt you have been saving for is now on sale for $10. But next week is your mother's birthday, and the perfume she wants is $10. How will you spend the $10?

   What is Scarce? ______________________________

   Decision ______________________________

   Opportunity Cost ______________________________

   Why? ______________________________

3. You want to try out for the soccer team and the swimming team, but they both practice at the same time. What will you do?

What is Scarce? ____________________

Decision ____________________

Opportunity Cost ____________________

Why? ____________________

4. You have been offered a $6 per hour lifeguard job this summer. You like the job a lot and could see friends at the pool. However, your uncle offers you a job mowing lawns for his lawn care business. It's hot and dirty work, but it pays $8 per hour. What job will you choose?

What is Scarce? ____________________

Decision ____________________

Opportunity Cost ____________________

Why? ____________________

5. Your community has received $50,000 in new taxes. One group of citizens wants to use the money to build a new softball field, since there is currently no place for the girls' league to play. Another group wants to build an outdoor environmental learning center, which would include planting quite a few trees. How should the money be spent?

What is Scarce? ____________________

Decision ____________________

Opportunity Cost ____________________

Why? ____________________

Handout 2

Marketing Strategies

Marketing involves all of the activities, including advertising, which help get the product to the consumers. *How you market a product will have a great effect on how profitable it will be*. You may have a wonderful product, but if it is not marketed well, you may not sell very many. Try a few of these examples with your classmates. Work with a partner or in small groups. Be prepared to present your marketing strategies to the class.

1. ***Newspaper Ads*** — On a piece of drawing paper, create an advertisement with all the necessary information needed to sell your product.

2. ***Radio Ads*** — Write a dialogue and/or jingle that could be used to sell your product on the radio.

3. ***TV Ads*** — Create a TV commercial for your product or service. Videotape it to show the class.

4. ***Door-to-Door Selling*** — Pretend you are the sales person and your partner is the customer. Give your sales presentation to your partner as if you had just knocked on the door trying to sell your product.

5. ***Packaging*** — How your product is packaged is crucial. Choose a particular good and draw how it will be packaged. Why are environmental and product safety concerns an issue with packaging?

6. ***Product Displays*** — Where and how your product is displayed in a store is also crucial to sales. How will you get a store to accept your product? How much shelf space will be reserved for it? Will the store let you put up any special displays? If not, are you willing to pay for a nice display area? How much? Create a display for your product. Draw how you would like it to be.

7. ***Catalogs*** — Many producers use catalogs to market their products. Design a catalog entry for a product. Make it as attractive and persuasive as possible so people will order *your* product instead of someone else's!

ISLAND OF THE BLUE DOLPHIN

By Scott O'Dell
Dell Publishing, 1960

Lesson Overview

Karana is an Indian girl stranded alone on an island for 18 years. When the rest of her tribe is forced to flee the island, she learns to use her human resources and the island's natural resources to survive.

Key Economic Concepts

Natural Resources
Scarcity
Trade
Division of Labor
Human Resources
Capital Resources
Specialization
Conservation

Materials

Handouts 1 & 2
Five-Step Decision Grid (in Part 3)

Teaching Procedure

1. Introduce the story to your students. Discuss these questions:
   a. What is a desert island?
   b. How could you survive on a desert island?
   c. What kinds of **productive resources** would there be on the island?

2: Introduce the concept of **scarcity**. What natural resources would be scarce on a desert island? What natural resources would *not* be scarce there? (sea water, air)

*Note: Some students might think that the natural resources on the island were not scarce, since they were freely available to Karana. It is true that some, like the air and sea water, were not scarce. But the other resources were indeed scarce for Karana, even though they had no market price, since it took her scarce time and energy to get them!

3. Discuss with the students the different types of **productive resources**.

4. Read the story. It might be best to divide the book into sections (Chapters 1-5, 6-10, 11-15, 16-20, 21-29). After each section be sure to discuss any pertinent economic concepts.

5. As the students read the book, have them keep a journal focusing on how Karana uses the resources to survive.

6. Complete Handouts 1 & 2.

7. Divide into small groups. Have students complete the responses and then use the Five-Step Decision Model to analyze the elephant conservation scenario. The scenario is based on actual policies being debated now in Africa *(Wall Street Journal* article, 1/7/97).

Key Questions to Ask Students

1. How did tribe members ***specialize*** in ***production***? (*There are various examples. The men and women had special, strictly defined tasks within the tribe.*)

2. What did the Aleuts want to ***trade*** for the right to hunt otter? (*They agreed to divide the catch.*) Who benefits when a voluntary trade is made (and promises are kept!)? (*Both parties expect to benefit.*)

3. What effect did the Aleuts' hunting have on the otters? (*They hunted too many, threatening the natural balance; otters became* **more scarce**.)

4. Why is it difficult to ***conserve*** natural resources such as water and wild animals? (*When no one owns natural resources, there is less incentive to conserve. No one owned the otters, so they were over hunted.*)

5. Did Karana have to be a ***producer*** to survive? (*Yes!*)

6. How were Karana's ***productive resources*** different from those used by producers in *your* community? (*many differences in all three productive resources*)

7. The island's ***natural resources*** were very important to Karana. How were these resources used? (*build a shelter, find food, defense, etc.*) What natural resources were especially ***scarce***? (*wood, sea elephant teeth*)

Follow-Up Activities

1. *Flash Cards*: Make flash cards with the name of a resource on one side and the type of resource on the other.

   Example: Water (front) Natural Resource (back)

2. *Keep a Diary*: Create a diary based on Karana's daily activities. Highlight every entry that deals with productive resources.

3. *Vocabulary List*: Keep a vocabulary list of all economic concepts discussed.

4. *Build a Shelter*: Provide a limited supply of scarce resources (glue, popsicle sticks, yarn, construction paper, wood chips, etc.). Have the students use the resources to build some kind of a shelter. Have them explain what human resources they used to construct the shelter.

5. *Deer Conservation Plan*: Create a conservation plan to help control the deer population in Indiana. Ask someone from the Indiana Department of Natural Resources to speak to the class about this problem.

Handout 1

Natural Resources and Scarcity

1. List **natural resources** mentioned in the story and how Karana used them.

Natural Resource	How Used

2. What does the economic term **scarcity** mean? Give an example.

3. Since the natural resources on the island were freely available to Karana, how could they possibly be considered **scarce**?

4. Which of these resources was the **most scarce** for Karana? Why?

5. Which natural resources in the story *could* actually be consider "free" to Karana, i.e., *not* scarce? Explain.

Handout 2

Jobs and Special Skills

1. What does **division of labor** mean? Give an example.

2. How was the labor divided in the Indian village? How is the labor divided in your school? Give examples.

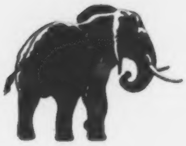
3. What special skills (**human capital**) helped Karana to survive?

4. Write a paragraph describing the **good** or **service** you want to produce when you grow up. Tell why. Also describe the skills and training it will take. How will you get the skills and training?

- -

What I Want to Produce When I Grow Up

Handout 3



Conservation and Stewardship

1. What does it mean to be a good **steward** of natural resources? Do you think Karana was a good steward? Why?

2. In some places, certain wild animal species are threatened, and some have become extinct. Which animal in the story was threatened? ____________
Why?____

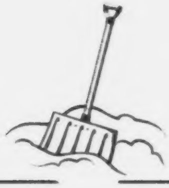
3. Why is a wild animal like the otter or wild eagle threatened, while an animal like the chicken is not?

4. Use the Five-Step Decision Model to solve this conservation problem.

Scenario: Kumutu is a poor village in Zimbabwe. The village lies next to a large game preserve. Unfortunately, wild elephants roam on village lands, often damaging crops. The villagers want to be able to kill some elephants for food and for crop protection. Villagers can also make a lot of money from selling the ivory tusks and from selling hunting permits each year to safari operators . The money will greatly improve the villagers' difficult lives. However, at this time there is a total ban on killing elephants.

To help the villagers, the government has proposed an Elephant Conservation Plan. It would give villagers permits to kill three elephants each year or to sell the hunting rights for these three elephants to safari operators. According to a government spokesman, "There is a surplus of elephants in the park now, and this would give villagers a way to protect their crops and improve their lives. Also, the villagers would be motivated to watch out for poachers on their land. The poachers are killing many elephants, and the government just doesn't have enough money to stop them."

"This plan is awful," replied Sally Jones from the Animal Humane Society. "An elephant is not a cow. There are other ways to help villagers besides killing these beautiful animals!" Should the Conservation Plan be implemented?



Kid Power Strikes Back

By Susan Beth Pfeffer
Scholastic, 1984

Lesson Overview

Kid Power Strikes Back focuses on a neighborhood business organized by Janie Golden. Janie and her friends decide to expand their Kid Power summer business of grooming lawns, walking dogs, and running errands to shoveling driveways and sidewalks during the winter. Throughout the book, Janie and her friends learn valuable lessons in economics. They confront concepts such as open market, monopoly, and, most important, competition.

Key Economic Concepts

Markets
Specialization
Monopoly
Market Survey
Profit
Competition
Advertising
Entrepreneurship

Materials

Handouts 1 & 2

Teaching Procedure

1. Before reading *Kid Power Strikes Back,* discuss with your students the kinds of money-making jobs they have performed. Discuss whether their jobs provided a **good** or **service** to their customers. Ask what **productive resources** were necessary, what **price** they charged, and how they determined the price.

2. Define and discuss the Key Economic Concepts above.

3. Read *Kid Power Strikes Back* orally to the class or individually if enough copies are available. Highlight economic concepts as you read. Then have students complete Handout 1 - Economics Concepts in the Story.

4. Put students into groups of four or five. Each group should visit a different class in the school and brainstorm possible **services** that the class would like the group to perform. Then meet and select *three* services the group would actually like to provide to the other class. (Examples: pencil sharpening, wash desks, straighten library books, supervise milk break, etc.)

5. On Handout 2, Market Survey, list these three services. Make copies and distribute them to the students in the other class. Based on the survey results, decide what service to provide and make an offer to the class. (Use Handout 3 for this.) Payment can be mini-economy money, tokens, class privileges, candy, etc. The two teachers will have to coordinate this. Create a contract, as per the instructions on Handout 3.

Key Questions to Ask Students

1. Why was Kid Power so successful? (*provided a valuable service at a good price, kids worked together as a team, helpful advice of parents, etc.*)

2. Why was it beneficial for Janie to hire her sister Carol as a manager? (*Carol had organizational skills and could keep track of the jobs. By specializing in what she did best, Carol reduced Janie's work load.*)

3. What is a ***market***? (*the interaction of buyers and sellers*) How are **prices** determined in a market? (*supply and demand*)

4. What is ***competition***? (*other sellers who produce the same good or service*) Why were Kid Power customers willing to pay Johnny more money for his services even though they thought he was employed by Kid Power? (*He did even better work than Kid Power.*)

5. List some of the specific characteristics possessed by Janie and her employees that made them successful ***entrepreneurs*** (*persistent, good work ethic, disciplined, flexible, motivated*). What motivated them? (*primarily the money they earned*)

6. What is a ***contract***? Why are they important in our economy? Who enforces contracts in our economy? *(binding agreements between businesses; contracts help create a stable, just, and efficient economy; government enforces contracts)*

Follow-up Activities:

1. *School Services*: Make a list of services the class could provide to the principal, librarian, school nurse, or other personnel. Identify the types of capital resources (tools or equipment) and special skills (human capital) each group would need to provide the service.

2. *Classroom Visitor*: Invite an entrepreneur to visit and explain how he or she started a business. Discuss the challenges in starting the business and how they were overcome. Discuss the character qualities that are necessary to be a successful entrepreneur.

3. *Kid Power:* Read the original *Kid Power* book. See the book citation in the bibliography.

Handout 1

Economic Concepts in the Story

There are many economic concepts illustrated in *Kid Power Strikes Back*. Define each concept below and identify an example of it in the story.

1. Services

2. Capital Resources

3. Scarcity

4. Opportunity Cost

5. Entrepreneurship

6. Specialization

7. Profit

8. Competition

9. Open Markets

10. Monopoly

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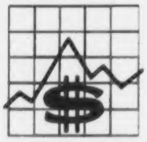

Handout 2

Market Survey

Our group came to your class earlier and brainstormed possible **services** your class would like to receive from us. Below are three services we are willing to provide. Each student in your class should complete a Market Survey. This will help us determine which service your class wants most.

Put 1, 2, or 3, in the second column. Discuss with your teacher what price you would be willing to pay to receive the service. Put that in the third column.

The Service Our Group Can Provide	Which Is Your First, Second, and Third Choice?	What "Price" Is Your Class Willing to Pay?

Handout 3

The Contract

1. Meet as a group to discuss the details of the agreement you will make with the other classroom. Use the questions below to help you.

   a. Service to be provided:

   b. Number of times the service will be provided:

   c. "Price" you will charge for the service:

   d. Other possible items to include in a contract:

2. Once your group has agreed on the items above, present your offer to the other classroom. Negotiate and come to agreement about the final details.

3. Create an agreement (a contract!) in your own words to be signed by representatives from your group and the other classroom.

Leave the Cooking to Me

By Judie Angell
Harcourt Brace & Company, 1995

Lesson Overview

Leave the Cooking to Me is a humorous, yet touching story of a young girl's responsibility for keeping meals on the table for her single-parent mother and her little sister. Shirley Merton decides to take this daily chore a step further. Without her mother's knowledge, Shirley, a.k.a. Vanessa, opens her own catering business. Her enthusiasm for her new job keeps her from becoming discouraged when she is faced with the many problems and decisions that go along with being an entrepreneur.

Key Economic Concepts

Entrepreneur
Opportunity Cost
Human Capital
Profit
Productive Resources
Human Resources
Specialization
Costs

Materials

Handouts 1 & 2

Teaching Procedure

1. Before reading *Leave the Cooking to Me,* define and discuss the following economic concepts: **entrepreneur**, **opportunity cost**, **productive resources, human capital**, **specialization**, **costs**, and **profit**.

2. To introduce the book, ask the students to identify typical summer jobs for students. Have students share their own job experiences. Discuss good and bad points about typical summer jobs.

3. Read *Leave the Cooking to Me.*

4. List and discuss the different problems and decisions that Shirley faced in her catering business. Discuss the creative things she did to be successful.

5. Complete and discuss Handout 1. Work individually or in groups.

6. Work in small groups. Tell students to form a catering business. They must decide on a name for their business, devise a menu with appropriate **prices**, and develop a **marketing strategy**. Use Handout 2.

Key Questions to Ask Students

1. How did "Vanessa" get involved in the catering business? (*She helped a friend's mother put on a dinner party.*)

2. What was Vanessa's ***opportunity cost*** when she decided to go into business for herself? (*She gave up time with her friends, working for someone else, and much of her free time.*)

3. What ***productive resources*** did Vanessa need to operate her business? (*human resources — herself and her friends; capital resources — cooking equipment, oven, car, etc.; natural resources — water, land, raw materials*)

4. What ***human capital*** (special skills and training) did Vanessa have? (*She was a gifted cook, a good organizer, and a quick thinker.*)

5. To be successful, Vanessa had to depend on other people or other producers. Give examples of this ***interdependence***. (*Examples — friends being there for work, her own health, a car and gas for transportation, the grocery having all the ingredients, etc.*)

6. Every business must hire ***human resources*** (***labor***). Do businesses *want* to hire more labor? What are some potential problems when dealing with human resources? (*Businesses want to hire the labor they need to produce, but no more. There are many problems — absenteeism, lack of effort, poor skills, quitting at the last minute, etc.*)

7. Vanessa tried to earn a ***profit***. What is profit? Do you think she was successful? (*Profit is the money that is left after subtracting all costs; she was probably successful since she had so much business and wanted to keep it going.*)

Follow-up Activities

1. *Yellow Pages*: Using the phone book's yellow pages, list the different types of catering services in your town.

2. *Classroom Visitor*: Have a local caterer come to the class to discuss the different aspects of the catering business.

3. *Create an Ad*: Design an advertisement for your own catering service that could be placed in the yellow pages.

4. *Serve Lunch!*: Ask the cafeteria supervisor if your class can help serve in the lunch room one day a week for a month.

Handout 1

Business Basics!

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1. **Human Resources:** Every business needs human resources (labor). You are interested in starting a concession stand at the elementary basketball games. What kinds of human resources would you need to hire for your business? What skills (human capital) would they need?

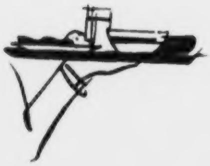
2. **Interdependence**: You are the owner of a local taco restaurant. Who are some of the people and businesses you must depend on for your own business to be successful?

3. **Profit**: Your school economics club runs a snow cone business each Friday. You sell your snow cones for $.50 each. Your school has 650 students, teachers, and staff. Estimate how much profit you think your business could make in one month.

4. **Wages:** What factors must the owner of a business consider when deciding how much to pay a new employee? Do businesses *want* to hire employees? Explain.

Handout 2

Opening a Catering Service



____
(NAME OF CATERING SERVICE)

1. List the types of **services** (parties, banquets, etc.) your business will provide.

2. Create a complete **menu** for your business, including **prices**. (You may want to take a survey of your neighbors or classmates to find out what menu items most appeal to them.) Use additional paper if necessary.

3. How will you get people to use your service? Create a plan for **marketing** your catering business. Develop some creative advertisements for magazines, newspaper, the radio, or television.

4. Optional Activity - Assign different days to each group and have them prepare all or part of their menu to bring in and share with the class.

BEETLES LIGHTLY TOASTED

By Phyllis Reynolds Naylor

Harcourt Brace, 1987

Lesson Overview

The subject for this year's contest at school is "Conservation." Ten-year-old Andy Moller, who lives on an Iowa farm, and his cousin Jack are both determined to win the $50 prize. The two boys devise hilarious ways to conserve resources — including eating insects and cooking hamburgers on a car engine!

Key Economic Concepts

Conservation
Productive Resources
Boycott
Role of Government
Scarcity
Price
Productivity

Materials

Handouts 1 & 2

Teaching Procedure

1. List and discuss the key economic concepts. Have the students write the definitions of these concepts.

2. Introduce the book by asking the students if they have ever entered an essay contest. Discuss responses. Ask students to explain what they would write about if the topic of a contest were "Conservation."

3. As you read the book, have students identify economic concepts and keep them in an economics journal. Have them focus on the situations in which the concepts occur.

4. Make a collage of productive resources (natural, human, capital). Find at least five of each. Identify each kind of resource by circling them with different colored markers.

5. Complete Handout 1. Discuss student responses.

6. Complete Handout 2. Let students show and explain their inventions.

7. **Optional**: Hold an Invention Fair. (See Follow-Up Activities below.)

Key Questions to Ask Students

1. What ***good*** was produced on Andy's family's farm? (*milk*) What important information did the farmers get each day on the radio? (*weather and prices*) Why do ***prices*** change? (*changes in supply and demand*)

2. Andy wants to ***boycott*** the contest. What is a boycott? (*refusing to buy, sell or use a good or service in order to change policy*)

3. How are the terms ***productivity*** and ***conservation*** similar? (*both deal with using resources efficiently*) Explain how Andy's bug idea was a way to increase productivity. (*get more food from the same amount of land*)

4. What do high ***prices*** tell us? (*that a good or service is relatively **scarce***) How can prices help us conserve? (*High prices discourage resource use. They also make it more profitable for producers to supply resources.*)

5. How does **government** promote conservation? (*sets rules and regulation about resource use and pollution)*

6. Who hired the health inspector? (***government***) Why? (*public safety*) Where did the money come from to pay the inspector? (***taxes***)

Follow-Up Activities

1. *Essay Contest:* Have an economic theme for an essay contest.

2. *Conservation Decisions:* Create a journal based on daily "conservation decisions" students make.

3. *Invention Convention:* Conduct an invention convention. You could use the *Choices and Changes* curriculum (Intermediate Level) of the National Council on Economic Education.

Handout 1

Prices Help Us Conserve!

Price is the clue that tells us how **scarce** a resource is compared to other resources. The more scarce something is, the higher its price and vice versa. When a valuable resource like oil becomes more scarce, its price rises. The high price does two things: 1. It encourages consumers to use less, and 2. It encourages producers to find and produce more oil, since they want to make higher profits. This happens automatically in the oil markets without involving the government. Isn't this good news about conserving our natural resources?

On the back, answer these questions. Discuss your answers with your teacher.

1. What are some examples of **scarce natural resources**?
2. If we use coal and it becomes more **scarce**, what will happen to its **price**?
3. What will **consumers** do as a result of this price change? Why?
4. What will **producers** of coal do as a result of this price change? Why?
5. How will these actions by consumers *and* producers change the price?

Draw a series of pictures illustrating these changes in the market for coal. Be creative. Below each picture briefly explain what is happening.

Handout 2

Conservation Invention

Suppose you entered the Conservation Contest in the story. What invention would you invent to help conserve valuable natural resources? Draw a picture below with a brief explanation.

List some of the **productive resources** you used to make the invention.

1. What do you think would be the **price** of your invention?____________________

2. Do you think **businesses** would buy your invention? Why or why not? Would the **price** of your invention affect the businesses' decision?

3. If the **government** *made* businesses use your invention, how might this affect the prices of the products they sell? Do you think the government should do this? Why or why not?

NIGHT OF THE TWISTER

By Ivy Ruckman
Thomas Crowell, Jr. Books, 1984

Lesson Overview

This story, based on a real event, tells how the Hatch family and the people of Grand Island, Nebraska, survive a night of terror when their town is devastated by several tornados. Together they not only live through the tragedy but rebuild their lives and their community.

Key Economic Concepts

- Productive Resources
- Government Agencies
- Specialization
- Scarcity
- Taxes
- Public Goods

Materials

Handouts 1 & 2

Teaching Procedure

1. Introduce the story by discussing storms and other natural disasters. Focus on the rebuilding that follows natural disasters.

2. Teach or review the economic concepts of scarcity and types of productive resources. Discuss the productive resources which are available before and after a tornado. Emphasize how many resources become relatively *more* scarce after a disaster. This is the reason that prices increase for generators, lanterns, bottled water, etc.

3. Read the story. Discuss key economic concepts as they appear. Have students keep a dictionary of these economic concepts. Another possibility is to have students keep a list of all the productive resources they find in the story on the Productive Resources handout in Part 3.

4. After reading the story, have the class create two lists — of productive resources in the community before and after the storm. Have students write a paragraph comparing the two lists.

5. Complete Handout 1. Explain how government agencies, which are financed by **taxes**, are different from non-government agencies.

6. Complete Handout 2. Emphasize that government provides certain **public goods**, like road and national defense, since there are few incentives for private businesses to do so.

Key Questions to Ask Students

1. What government agencies assisted the community after the twisters destroyed the town? (*Fire and Police, Civil Defense, National Guard, REACT, Government Housing, etc.*) How are government agencies supported? (***taxes***)

2. Why don't private businesses provide ***public goods*** like national defense and roads in a town? (*A business wouldn't make a profit. It is virtually impossible to keep non-payers from using the roads or to get everyone to pay for national defense. Those who didn't pay would benefit anyway!*)

3. In this story, do you think that ***human resources*** (***labor***) and ***natural resources*** are of equal importance? Explain. (*Answers will vary.*)

4. Rebuilding a community takes much time and many scarce productive resources. How would you respond to someone who said, "I think that the tornado was ultimately good for the economy, since the rebuilding effort will provide employment for many workers." (*Wrong! The resources used to rebuild the community now cannot be used for other valuable uses in the economy. There really is an **opportunity cost**.*)

Follow-Up Activities

1. *Bulletin Board*: Find newspaper articles regarding natural disasters and share these with the class. Make a bulletin board of these articles.

2. *Classroom Visitor*: Invite a police officer or other emergency officials to explain how they help during situations like tornados.

3. *Field Trip*: Take a field trip to the local Red Cross agency.

Handout 1

Community Services

1. In every community there are many services. What is the main difference between ***government services*** and ***non-government services***?

2. List all the community services and organizations mentioned in the story. Put a circle around all those that are ***government*** services.

3. In the story, the police department and the Red Cross joined forces to help the community. List the ways these two agencies helped. Next, list ways they could have helped, but didn't.

Imagine your community has just been destroyed by a tornado. You are put in charge of creating an agency to assist the victims. Write a *plan of action*. In your plan include: types of services, funding sources, and any other significant information. How would you rebuild? What would you rebuild first? On another piece of paper draw a plan of your new community.

Handout 2

Government Services

1. What are examples of **government services** in your community? Where do government services get the money to operate?

2. What are examples of **non-government services** in your community? Where do *they* get the money to operate?

3. Some services are provided by *both* governments and private businesses. Put an X in one of the three blanks to show how each service is *typically* provided.

		Government	***Private Business***	***Both Government and Private Business***
a.	Fire Protection			
b.	TV Repair			
c.	Snow Removal			
d.	1st Class Mail			
e.	National Defense			
f.	Education			
g.	Haircuts			
h.	Mailing Packages			
i.	Police Protection			
j.	Trash Collection			
h.	Street Cleaning			

2. Why are roads in your community something that cannot be provided very well by private business?

3. Which government service do *you* think is most important? Explain why.

Part 3

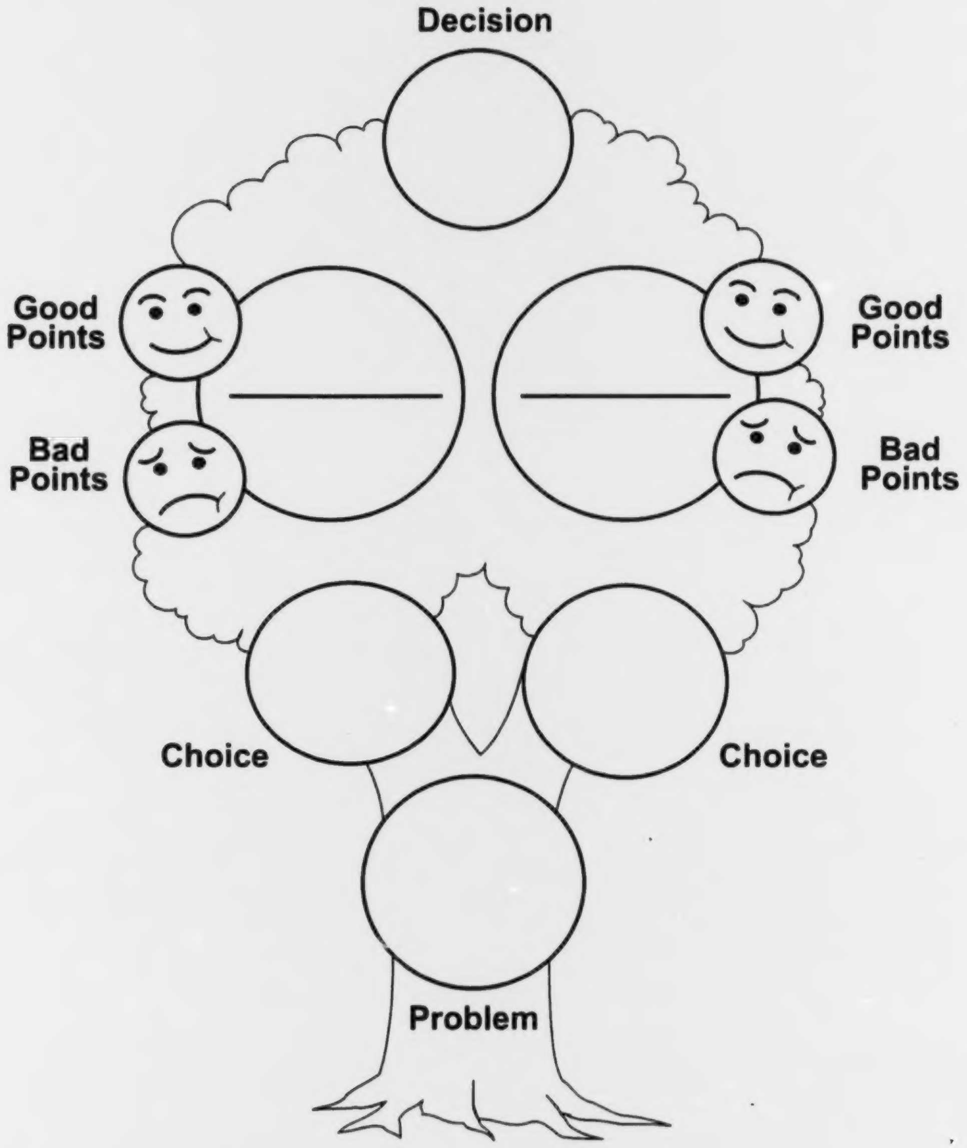
Handouts

To Use with Other Books

Decision Tree

Use the Decision Tree to help you make choices! Here are the steps:

1. Define the Problem
2. List the Two Choices
3. Evaluate the Choices (List good and bad points about each choice.)
4. Make a Decision!


Decision
Good Points
Good Points
Bad Points
Bad Points
Choice
Choice
Problem

Five-Step Decision Model

Use the Five-Step Decision Model to help you make decisions!

1. **Define the Problem** — Analyze the situation; gather facts. What is the problem?
2. **List Alternative Solutions** — List feasible alternatives for solving the problem.
3. **List Important Criteria** — What important values/goals will influence the decision?
4. **Evaluate the Alternative Solutions** — Evaluate how each alternative "fits the criteria." Put +'s and -'s in grid to show if alternatives "fit" the criteria.
5. **Make a Decision!**

Decision Grid

Criteria					
Alternatives					

Decisions, Decisions, Decisions!

The characters in many stories have to solve **scarcity** problems, and this usually means having to make some difficult decisions! Answer the questions below about a scarcity problem a book character had to solve.

1. What was a **scarcity problem** confronted by one of the book's characters?

   ____

2. What were the **alternatives** (choices) for solving the problem?

   ____

   ____

3. What **decision** did the character make?

   ____

4. What was the **opportunity cost** of the decision?

   ____

5. Write a paragraph explaining why you think it was a good or bad decision. Write neatly and use correct spelling and grammar.

My Scarcity Situations

People confront scarcity situations and scarcity problems every day. Answer the questions below about *your* scarcity situations.

1. Describe a **scarcity situation** you faced recently.

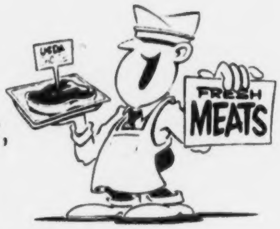
2. What was **scarce** in the situation?

3. What **decision** did you make because of the scarcity?

4. What was the **opportunity cost** of your decision?

5. Write a paragraph about this or another scarcity situation. What decision did you have to make? Do you think you made a good decision? Explain why or why not.

Economics Is Everywhere!



Economics is everywhere! Give examples from the story, including page number, which illustrate the economics concepts below. (You may not find an example for every concept.) For longer books, complete the handout as you read.

Natural Resources:

Human Resources:

Capital Resources:

Scarcity:

Opportunity Cost:

Specialization:

Interdependence:

Exchange/Trade:

Role of Government in the Economy:

You will probably find other examples of economic concepts. List them on the back. (Other concepts include Profit, Economic Systems, Supply, Demand, Entrepreneurship, International Trade, and Competition. You may find even more concepts!)

Productive Resources

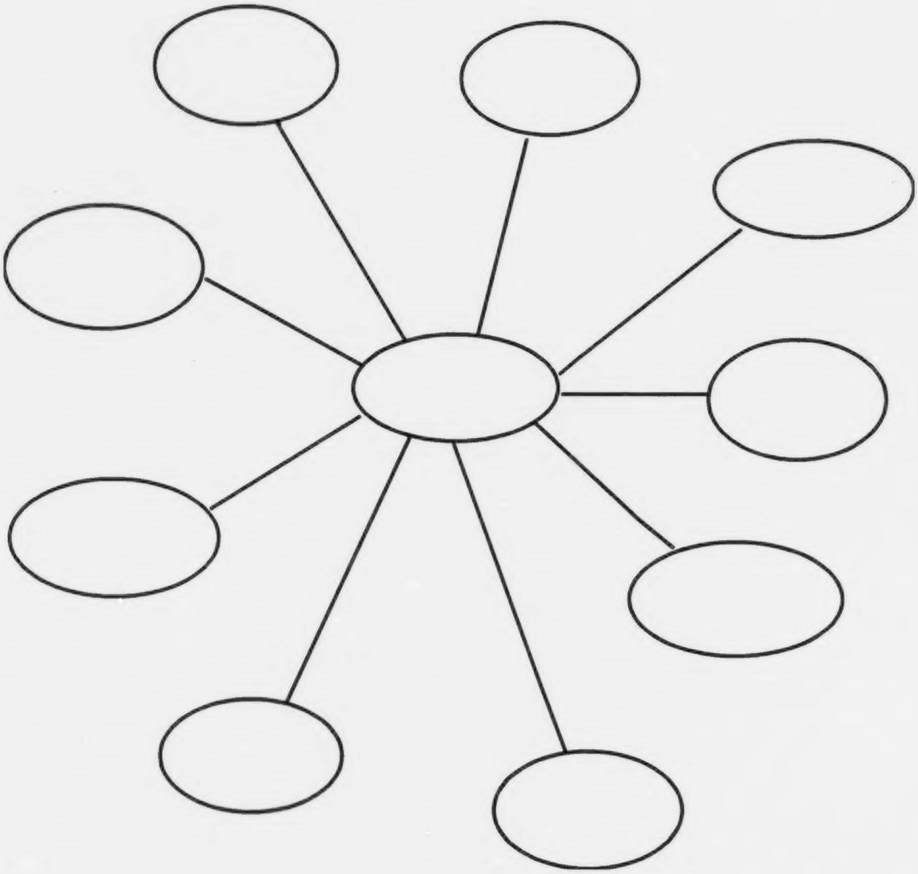
1. In almost all stories there are examples of many types of productive resources. In the book you just read, identify some of them.

Natural Resources (Raw Materials)	Human Resources	Capital Resources

2. In the space below, draw the **Production Model**, which shows the productive resources being combined to produce a good or service.

Interdependence Web

In an economy, people and businesses **specialize** in what they produce. They then must **depend** on each other to provide productive resources, goods, and services. In the center of the "Interdependence Web" below, put a character in the story who had to depend on others. In the other circles, put the people (businesses, workers, etc.) the character depended on.



In the story did it help when the character depended on others? ________

On the back write a paragraph explaining your answer.

What's in a Job?

Many different kinds of **human resources** are needed to produce goods and services. Pick a job done by a character in the story you just read, then answer the questions.

What is the character's job?____________________________________

What special skills (**human capital**) does the character need to do the job?

What education do you think is necessary for this job?

What are the good points and bad points about the job?

What good or service do you want to produce when you grow up?

____

On the back, write a paragraph explaining why. The title of your paragraph should be: "What I Want to Produce When I Grow Up."

Trading Around the World

In many stories you learn about people from all over the world. Our economy depends on the productive resources, goods, and services that we get by trading with other countries.

Search your classroom (or home) for clothing and other items produced in other countries. Write them on scrap paper. Then meet in small groups and list at least ten items, each from a different country. Mark these on a wall map or on a transparency of the world. What patterns do you see?

ITEM	**COUNTRY**

On the back write a paragraph explaining how trading helps countries.

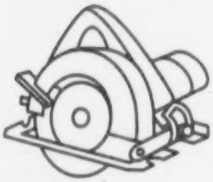
Economics Bingo!

There are many economic words and ideas in the stories you have read. After reading the stories and learning about economics, you are now ready to play the Economics Bingo Game!

First write BINGO in the shaded squares. Your teacher will list all the economics words you have studied on the board. On the Bingo card write one of these words in each square. (You may write a word only once under each letter.) Your teacher will draw these words "out of a hat" and say the definition. Put a token on the square if you have the word. Five in a row makes Economics Bingo!

		Free Space		

Three Cheers for Capital Resources!



1. Give three examples of **capital resources** in the story you read.

2. Explain how each capital resource increased **productivity**.

3. How do businesses *get* capital resources?

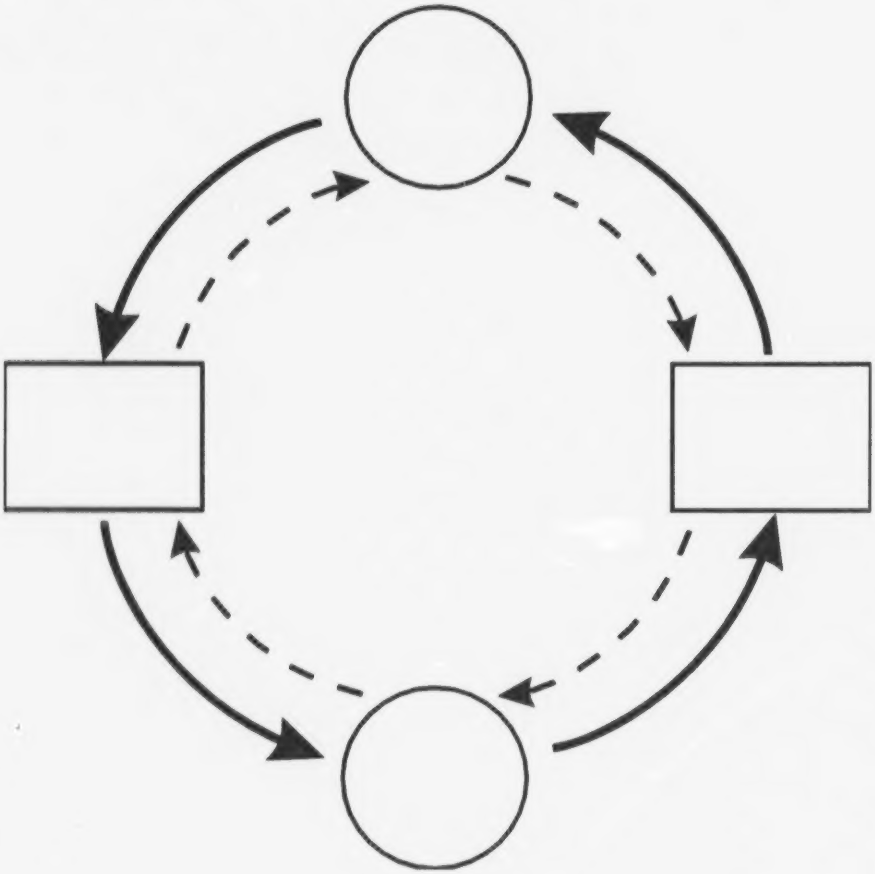
- -

A Capital Invention!

In the space below, draw a **capital resource** that you invented to help produce a special good or solve a special problem. Below your drawing explain how the capital resource works. Report to the class.

'Round and 'Round the Economy Goes!

Use people, businesses, goods and services, and productive resources from the story to fill in/label the **Circular Flow Model** of the economy. Also show which way the **money** flows!



Part 4

Annotated Bibliography

Bibliography

The teacher-recommended books cited in this bibliography are excellent for teaching economics to children. You may want to use the handouts provided in Part 3 of this curriculum to teach specific economics concepts.

The Indiana Department of Education thanks the National Council on Economic Education for their permission to use citations taken from their excellent *Master Curriculum Guide* publications, *Teaching Strategies K-2, Teaching Strategies 3-4*, and *Personal Finance Economics*. Betty Sue Williams, classroom teacher from Centerville Elementary in Oldham County, Kentucky, also recommended several books cited in this bibliography.

Ancona, George. *Bananas from Manolo to Margie*, Clarion Books, 1982.
This story follows bananas from Honduras, where they are produced, to the United States, where they are consumed. Children learn about the many specialized workers who produce and market the fruit.

Ada, Barbara Johnston. *The Go Around Dollar,* Hambelton-Hill Publishing, 1993.
This interesting story is about a dollar bill and the many hands that exchange it. Throughout the book, interesting facts about money are told in storyboard form. The key economic concepts are economic systems, money, and exchange.

Adler, David. *Prices Go Up, Prices Go Down: The Laws of Supply and Demand*, Watts, 1984.
This book describes in simple terms how supply and demand work in a market economy to determine prices and to influence what goods and services are produced.

Aliki. *How A Book Is Made,* Thomas Y. Crowell, 1986.
Animals explain the steps of producing a book, including writing, editing, and publishing.

Arnov, Jan. *Louisville Slugger*, Pantheon Books, 1984.
Learn how baseball bats are produced. Many economic concepts are featured, including production, assembly line, and specialization.

Barbour, Karen. *Little Nino's Pizzeria*, Harcourt Brace, 1990.
Nino owns a pizzeria. When someone offers him the opportunity to expand his pizzeria, Nino has to decide if money is all there is to owning a business. Key economic concepts are opportunity cost and specialization.

Blaine, Marge. *The Terrible Thing That Happened at Our House*, Scholastic, Inc., 1975.
The girl in the story begins to notice just how valuable the services her mother provides really are. Although you can't assign a precise value to mothering, students will enjoy calculating the value of a mother's work.

Clements, Andrew. *Who Owns The Cow?* Clarion Books-Houghton-Mifflin, 1995.
This is a good story to help children understand the production process. The book shows how the farmer feeds and milks the cow and then sends the milk to market. Key economic concepts are natural, human, and capital resources and interdependence.

Cole, Bruce B. *The Pumpkinville Mystery*, Simon & Schuster, 1987.
The city council members in Turkeytown own all the corn that people need to feed their turkeys. When the townspeople move to Pumpkinville and start feeding their turkeys pumpkin seeds, the council members try to destroy the pumpkin crop. Key concepts are competition, markets, and price.

Day, Alexandral. *Frank and Ernest Play Ball*, Scholastic Inc., 1992.
Frank and Ernest operate a business-sitting service. When they are hired to take care of a baseball team, they must improve their human capital by learning all about the business of baseball.

de Paola, Tomie. *The Popcorn Book*, Holiday House, 1978.
This book contains a story and information about the history, production, and preparation of popcorn. Recipes are included.

de Paola, Tomie. *Tony's Bread*, G.P. Putnam's Sons, 1989.
This Italian folktale tells how Tony the baker produces a loaf of bread.

Fabian, Carmen. *The Boy Who Cornered the Peanut Market*, Todd & Honeywell, 1984.
This story is about a young man who controlled the peanut market. He uses his fortune to help the entire country. The economic focus is marketing and entrepreneurship.

Florian, Douglas. *People Working*, Thomas Y. Crowell, 1983.
Dozens of occupations are illustrated in this picture book of people at work on land, sea, and air, day and night.

Gibbons, Gail. *How A House Is Built*, Holiday House, 1990.
Students learn the basics of building a wood-frame house, and meet the many people who are involved in the process, from architect to carpenter. Key concepts are jobs, specialization, interdependence, and resources.

Gibbons, Gail. *Up Goes The Skyscraper,* Four Winds Press, 1986.
Due to a scarcity of space, a skyscraper must be built in a busy city. Through simple text and illustrations, readers follow the building of a skyscraper step by step. What human resources are needed? What jobs do they perform? What capital resources are used? Students will find answers to these and many more questions.

Gilman, Phoebe. *The Wonderful Pigs of Jillian Jiggs*, Scholastic, Inc., 1988.
Jillian decides to be an entrepreneur and open a business making and selling stuffed pigs. Her problems begin when she discovers that she likes her pigs so much that she can't sell them! What should she do?

Godfrey, Neale. *The Kid's Money Book*, Checkerboard Press, 1991.
Learn about the history, uses, and value of money, as well as the responsibilities that come with managing money.

Herman, Charlotte. *Max Malone Makes a Million*, Henry Holt, 1991.
When Max reads about a boy his own age who gets rich selling cookies, Max decides to make his fortune, too.

Jackson, Thomas Campbell. *Hammers, Nails, Planks, and Paint*, Cartwell Books, 1994.
Using illustrations and simple explanations, this story explains the process of building a house. Key economic concepts are natural, capital, and human resources and specialization.

Jennets, Aylette. *The Bakery Factory*, Thomas Y. Crowell Co., 1978.
Have you ever wondered where the bread, pastries, and donuts at the grocery store come from? Explore a bakery factory and learn about all the productive resources needed to produce baked goods. Learn all the production steps as the goods are made from raw materials on an assembly line and are finally put on the supermarket shelves. Try one of the recipes to make tasty delights of your own.

Johnson, Hannah Lyons. *From Seed to Salad*, Lothrop, See, and Shepard, 1978.
Children learn how they can work together to plant, cultivate, and harvest a vegetable garden. Salad dressing recipes are included.

Kehret, Pet. *The Richest Kids in Town*, Cobblehill Books, 1994.
Two boys design a variety of money-making schemes that don't quite work out. They both have a savings goal. Now, all they need is to earn some income!

Klevin, Jill Ross. *The Turtle Street Trading Company*, Delacort Press, 1982.
Four youngsters from California successfully start and manage their own kid's trading company. Their business is recycling old junk for a nominal fee. The children soon learn there is no such thing as a small business.

Klevin, Jill Ross. *Turtles Together Forever*, Delacort Press, 1982.
This book is the counterpart to *The Turtle Street Trading Company*. One of the members of the business moves and starts his own company. Entrepreneurship is a key economic concept.

Kuklin, Susan. *From Head To Toe: How A Doll Is Made*, Hyperion Books For Children, 1994.
Take a behind the scenes tour to learn how dolls are made. Skilled workers (human resources) create beautiful dolls for all to enjoy. See in full color how dolls are assembled, hair is styled, and clothes are designed.

Lasky, Kathryn. *Sugaring Time*, Macmillan, 1983.
The Lacey family lives on a Vermont farm. In addition to farming, the family harvests maple sap for sugar and syrup. Students encounter many economic concepts as they learn about the process of sap harvesting.

Lobel, Arnold and Anita. *On Market Street*, Mulberry Books, 1981.
This is a beautifully illustrated picture book that alphabetically lists all the goods one finds on Market Street.

McMillian, Bruce. *Jelly Beans for Sale*, Scholastic Press, 1996.
Jelly beans sell for one cent at the roadside stand in this interesting book, which introduces the basic units of money.

Merrill, Jean. *The Toothpaste Millionaire*, Houghton Mifflin, 1972.
The story chronicles the success of an entrepreneurial venture, as Rufus Mayflower proves he can make better toothpaste at a lower cost.

Mitchell, Barbara. *Shoes for Everyone: A Story About Jan Matzeliger*, 1986.
Jan Matzeliger invents a machine that increases output, lowers the price of shoes, and makes them affordable for all people. The key concept is productivity.

Moncure, Jane Belk. *People Who Help People,* Children's Press, 1976.
Interdependence is illustrated as family members and people in the community help one another in everyday situations.

Mondu, Emmanuel. *The Lemonade Stand: A Guide To Encouraging The Entrepreneur In Your Child,* Bob Adams, Inc., 1991.
This book provides parents and teachers with creative ways to encourage their children's entrepreneurial abilities.

Moskin, Marietta. *Rosie's Birthday Present,* Atheneum Publishers, 1981.
Rosie makes a series of trades to get her grandmother a birthday present.

Oppenheim, Joanne. *On the Other Side of the River*, Franklin Watts, 1972.
The villagers who live on each side of a river do not like each other very much. Their attitudes change when the bridge connecting the villages is destroyed and the people realize how much they depend on one another to supply goods and services.

Page, David. *The Lemonade War*, Willowwisp Press, 1993.
To earn enough money to buy a video game, Pam and Julie decide to open a lemonade stand. They argue over how to advertise, and the lemonade war begins.

Peoples, H.I. *Where Does This Come From?* Contemporary Books, Inc., 1988.
This reading series describes the productive resources required to produce a variety of goods, including baseball bats, T-shirts, ice cream, bubble gum, crayons, and pennies.

Pfeffer, Susan. *Kid Power,* Franklin Watts Inc., 1977.
Eleven-year-old Janie Golden is looking forward to getting a new ten-speed bike until her mother informs the family that she has been laid off from her job. The only way Janie will get her bike now is by making the money herself.

Radford, Derek. *Building Machines And What They Do,* Candlewick Press, 1991.
Learn all about the capital resources used in construction.

Rawls, Wilson. *Where The Red Fern Grows,* Bantam Books, 1989.
Bill has always dreamed of owning his own hunting dogs. He is faced with many decisions throughout the book in an attempt to make his dreams come true.

Rey, H.A. *Curious George Takes a Job,* Houghton Mifflin Company, 1974.
Curious George escapes from the zoo and eventually lands a job as a window washer. Learn about the skills that qualify people for their jobs and characteristics of a responsible worker.

Robertson, Keith. *Henry Reed, Inc.*, The Viking Press, 1958.
Henry Reed comes to America from Italy for the summer to live with his aunt and uncle. His teacher in Naples asks him to do something in America to illustrate free enterprise. Henry immediately forms a business partnership with Margaret Glass, the girl next door.

Robertson, Keith. *Henry Reed's Baby-Sitting Service,* The Viking Press, 1966.
Henry Reed decides to dissolve his business partnership with Margaret and go into business for himself. He opens up a baby-sitting service for the Greater Grover's Corner area.

Roy, Ron and Hausherr, Rosmarie. *Whose Shoes are These?*, Clarion Books, 1988.
The authors present a photographic essay and story about different kinds of shoes people wear.

Scarry, Richard. *Richard Scarry's Busiest People Ever,* Random House, 1976.
This book features dozens of different workers and the jobs they do.

Scarry, Richard. *Richard Scarry's What Do People Do All Day?,* Random House, 1979.
Based upon the premise that "everyone is a worker," this book features hundreds of specialized jobs and emphasizes the interdependence of everyone at work.

Schwartz, Amy. *Bea and Mr. Jones*, Viking Press, 1983.
Bea, who is tired of kindergarten, trades jobs with her father and learns about the work he does.

Seuss, Dr. *The Lorax*, Random House, 1971.
The Once-Ler tells a story of a local scarcity problem and describes the trade-offs involved in resource use.

Shreckhise, Roseva. *What Was It Before It Was A Chair?*, Children's Press, 1985.
This easy-to-read book helps students understand that wooden chairs begin as natural resources. Special jobs, clothing, and tools are discussed and illustrated as the wood moves from forest to factory.

Silverstein, Shel. *A Light in the Attic*, HarperCollins Publishers, 1981.
Mr. Smeds and Mr. Spats discuss voluntary exchange.

Silverstein, Shel. *Where the Sidewalk Ends*, HarperCollins Publishers, 1974.
Smart tells the story of a boy who has trouble understanding the value of money.

Silverstein, Shel. *Where the Sidewalk Ends*, HarperCollins Publishers, 1974.
Lester presents the dilemma of a boy with unlimited wants who refuses to make choices.

Skurzynski, Gloria. *Here Comes The Mail,* Bradbury Press, 1992.
Follow Stephanie's photo as it is put into an envelope, addressed, stamped, mailed, processed through the postal system, and delivered to her cousin Kathy. This beautifully colored picture book details the steps of sending a letter.

Slote, Alfred. *The Trading Game*, Harper Trophy, 1990.
Eleven-year-old Andy spends the summer playing baseball and trading baseball cards. In the process, he makes some special discoveries about himself and his family. Key concepts include barter, trade, price, and scarcity.

Springstubb, Tricia. *Eunice Gottlieb And The Unwhitewashed Truth About Life*, The Delacorte Press, 1987.
Eunice and Joy, best friends since birth, run their own catering service, "Have Your Cake." When something comes between them, Eunice finds herself running the business alone.

Steig, William. *Amos & Boris,* Scholastic Inc., 1971.
This is a wonderful story about a mouse and a whale who learn to depend on one another as they share a common bond – survival.

Voist, Judith. *Alexander Who Used To Be Rich Last Sunday*, Macmillian Publishing Co., 1978.
Alexander explores the consequences of his spending decisions.

Warner, Gertrude. *The Boxcar Children*, Buccaneer Books, 1992.
Four orphaned children discover an old, red boxcar that provides a home for them. The children discover many productive resources and raw materials that help them survive.

Wilder, Laura Ingalls. *On The Way Home: A Diary Of A Trip From South Dakota To Mansfield, Missouri In 1894*, Harper Trophy, 1976.
This is Laura Ingalls Wilder's diary of her 1894 trip from the drought-stricken Dakota Territory to the Ozarks. She describes the towns, rivers, people, and events that happened along the way. Important concepts are productive resources, productivity, and economic growth.

Wilkerson, Jean. *Work With Us in a Hospital*, Information Systems & Services, 1980.
Puppets show children how specialized workers are needed to operate a hospital.

Williams, Vera B. *Something Special For Me,* Greenwillow Books, 1983.
Rosa confronts scarcity and opportunity cost for herself and her family as she chooses her own birthday present.

Wing, **Natasha** *Jalapeno Bagels*, Atheneum Books for Young Readers, 1996.
For his school's International Day, Pablo decides to produce a very special bread – jalapeno bagels made from his parents' own special recipe. Key concepts are productive resources, specialization, and interdependence.

Zimelman, Nathan. *How the Second Grade Got $8,205.50 to Visit the Statue of Liberty*, Albert Whitman & Company, 1992.
This book chronicles the hilarious fund-raising schemes of an industrious group of second graders. Money, costs, and profit are key concepts.

Part 5

Indiana Proficiency Guide in Economics (K-6)

FOCUS: SELF, FAMILY, FRIENDS, AND SCHOOL	**KINDERGARTEN**
Proficiency Statement and Indicators **Students should be able to:**	**Sample Student Activities** **Students might:**
ECONOMICS **Explain how people meet basic economic wants and needs.**	
• Identify goods and services that people need and want.	• Using magazine pictures, make a mural or collage of basic needs or goods and services. Label the collage with symbols for food, shelter, clothing, etc.
• Describe how people work to obtain food, shelter, and clothing (goods and services).	• Use play dough to make models of goods or people performing services.
• Describe the economic activities that family members do together.	• Make a pictorial journal of economic activities in which they participate.
• Identify specific jobs that people do.	• Name and discuss different jobs that people do.
• Explain that people earn money (income) by working.	• Play "charades," by acting out the role of individuals earning money by performing various jobs.

FOCUS: SCHOOL AND NEIGHBORHOOD ENVIRONMENTS	GRADE ONE
Proficiency Statements and Indicators **Students should be able to:**	**Sample Student Activities** **Students might:**
ECONOMICS **Explain how people work and use resources to fulfill their economic needs and wants.**	
• Explore how people work to obtain goods and services (food, shelter, clothing, recreation, transportation, etc.).	• Cut out "paper doll" outlines of people and decorate the dolls to correspond to the jobs people do.
• Explore the kinds of work that people do and how that work benefits their family and the community.	• Interview school personnel and family members and make a class book or folder about the work that people do.
• Give examples of how people are producers and consumers.	• Make a chart showing goods and services produced and goods and consumed.
• Give examples of work for which people receive and do not receive income.	• Establish a classroom mini-economy (see Resources Section).
• Identify ways that people spend money and suggest reasons why people save money.	• Invite a bank employee to discuss savings accounts.
• Suggest reasons why it is not possible for people to have all the things that they want (scarcity).	• Cut out ads or catalog pictures of items students might want to buy. Discuss reasons why some choices might be eliminated.

FOCUS: NEIGHBORHOODS AND COMMUNITIES	**GRADE TWO**
Proficiency Statements and Indicators **Students should be able to:**	**Sample Student Activities** **Students might:**
ECONOMICS	
Describe how people depend on each other to supply economic goods and services.	
• Explain how natural, human, and capital resources are used to produce goods and services.	• Identify the productive resources used to produce specific goods and services.
• Identify people who provide goods and services to the community (e.g., school workers, firefighters, police officers, doctors, factory workers, storekeepers, farmers, homemakers, etc.).	• Participate in a job fair where community members discuss their jobs.
• Explain why people specialize in different jobs.	• Establish a classroom mini-economy (see Resource Section).
• Explain how people earn and use their income.	• Mount pictures from newspapers and magazines showing people earning income in many different ways. Work in small groups, using ad sections from newspapers to categorize ways people might spend money.
• Identify people who are producers, consumers, and both producers and consumers.	• Construct a pictorial graph dividing people into 3 categories: producers, consumers, and both producers and consumers.

FOCUS: NEIGHBORHOODS AND COMMUNITIES	**GRADE TWO**
Proficiency Statements and Indicators **Students should be able to:**	**Sample Student Activities** **Students might:**
ECONOMICS (continued)	
• Give examples of how scarcity requires people to make choices about using goods, services, and resources. (Since resources, goods, and services are scarce, people must make decisions about what they will buy, or not buy, and what they will produce.)	• Plan a trip or vacation. Work in cooperative groups to agree on and prioritize a limited number of items to take.
• Identify the *opportunity cost* of a choice. (Opportunity cost is the most valuable alternative you have to give up to get something you want).	• Organize a classroom store. Identify the opportunity cost of consumer choices.
• Recognize groups and people who make personal sacrifices for the benefit of others.	• Make awards to present to community and school workers for outstanding service (These could be student-made certificates, badges, buttons, or other gifts).

FOCUS: THE LOCAL COMMUNITY AND COMMUNITIES AROUND THE WORLD GRADE THREE

Proficiency Statements and Indicators **Student should be able to:**	**Sample Student Activities** **Students might:**
ECONOMICS **Explain how people make choices about using goods, services, and productive resources to satisfy their economic needs and wants.**	
• Describe how people must work in order to provide goods and services in the community.	• Brainstorm a class list of goods and services used since breakfast; list the jobs required to produce or provide each good and service.
• Identify productive resources (natural, human, and capital resources) in the community that are necessary to produce goods and services.	• Design a brochure advertising the natural, human, and capital assets of the community to encourage business and people to locate there.
• Give examples of how economic resources in the home, school, and community are limited (scarcity) and how people must make choices about how to use these resources.	• Ask each student to compile a birthday "wish list" and then to cut the list by a specified amount. Assist in developing a list of classroom resources to be purchased with limited funds.
• Explain why people specialize in different jobs, and how this causes people to engage in trade and to depend on each other (interdependence).	• Survey community members about their jobs, why they chose specific kinds of work, the skills and training needed, and job satisfaction.
• Explain that both parties benefit from voluntary trade.	• Make models of goods out of play dough. Then trade to get the goods they want most.

<table>
<tr><td colspan="2">FOCUS: THE LOCAL COMMUNITY AND COMMUNITIES AROUND THE WORLD GRADE THREE</td></tr>
<tr><td>Proficiency Statements and Indicators
Student should be able to:</td><td>Sample Student Activities
Students might:</td></tr>
<tr><td>ECONOMICS continued . . .</td><td></td></tr>
<tr><td>• Identify the opportunity cost of various consumer and producer choices (the most valuable alternative you have to give up to get something you want).</td><td>• Simulate a city council making choices. List the opportunity costs of various choices.</td></tr>
<tr><td>• Explain how tools and machines (capital) make people more productive.</td><td>• Conduct a “math productivity contest,” comparing the number of math problems completed with and without calculator.</td></tr>
</table>

FOCUS: INDIANA IN THE NATION AND THE WORLD	GRADE FOUR
Proficiency Statements and Indicators **Students should be able to:**	**Sample Student Activities** **Students might:**
ECONOMICS **Compare the characteristics of Indiana's changing economy in the past and present and predict future trends.**	
• Explain how the scarcity of natural, human, and capital resources has affected economic choices in Indiana.	• Construct a pictorial map of different goods and services produced in Indiana.
• Explain how money makes trade (barter) easier.	• Make a chart or a collage showing the different types of money used.
• Explain how goods and services produced in Indiana have changed over time.	• Take a study trip to a museum to examine early Indiana products. Compare with present-day products.
• Give examples of how increases in productivity have affected Indiana business and agriculture.	• In small groups, gather information on Indiana inventors and report on how they affected business and agriculture.
• Compare and contrast manufactured and agricultural products of Indiana with those of states in different regions.	• Make a graph comparing Indiana's products with those of other states. Use the information gathered to set up a "Hoosier Mini-Economy" (see Resource Section).

FOCUS: INDIANA IN THE NATION AND THE WORLD	**GRADE FOUR**
Proficiency Statements and Indicators **Students should be able to:**	**Sample Student Activities** **Students might:**
ECONOMICS continued . . .	
• Describe the importance of Indiana's products in world trade.	• 1) Take a study trip to an Indiana port. Gather information and make a chart of products shipped from Indiana and products shipped to the state. 2) Construct a map showing major exports from Indiana to world locations; explain why Indiana is among the major exporting states.
• Examine the sources and uses of state tax revenues.	• Make graphs of major sources of state revenues and major categories of spending.
• Describe how business leaders and entrepreneurs have influenced Indiana history.	• Research and report on the lives and work of specific business leaders and entrepreneurs.

FOCUS: THE UNITED STATES	**GRADE FIVE**
Proficiency Statements and Indicators **Students should be able to:**	**Sample Student Activities** **Students might:**
ECONOMICS **Describe the productive resources and market relationships that influence the way people produce goods and services and earn a living in different parts of the United States.**	
• Explain how economic decisions are made in a market economy by demonstrating the relationship among economic factors (such as scarcity, choice, opportunity cost, money, goods and services, price, and supply and demand).	• Prepare a market analysis to create and run student businesses (e.g., desk-cleaning business, plant watering service, recreation managers, chalkboard engineers, photographers, etc.). See the Resource Section.
• Construct a simple circular flow model of a market economy.	• Use drawings or pictures from magazines to create a bulletin board illustrating the circular flow model of the U. S. economy.
• Give examples illustrating the economic interdependence of different regions of the United States.	• Keep a journal of the food eaten in one day. On a map, locate the regions that produce these foods.

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FOCUS: THE UNITED STATES	GRADE FIVE
Proficiency Statements and Indicators **Students should be able to:**	**Sample Student Activities** **Students might:**
ECONOMICS continued	
• Explain how interdependence is a result of specialization and how specialization increases productivity.	• 1) Invite a business person to the classroom to discuss specific busines decisions (e.g., wages, profits, job skills). 2) Chart different types of jobs, the type of education needed and corresponding salaries. 3) Take a field trip to a soft drink, potato chip or other type of factory to observe specialization and productivity factors.
• Identify natural resources and related occupations found in the regions of the United States and speculate why certain careers are more common in one region than in another.	• 1) Make a map of the United States showing resources and related occupations. 2) Identify the various careers and occupations involved in specific products (e.g., breakfast cereal, tennis shoes) and services (e.g., restaurants, healthcare, etc.).
• Trace the development of technology and inventions and analyze their impact on productivity throughout the history of the United States.	• 1) Make a time line of inventions and technological developments. In small groups, discuss how these developments affected productivity. 2) Have an "Invention Convention demonstrating historical and/or student-made inventions. Explain the real or possible impact of each invention.

FOCUS: WESTERN CULTURES **GRADE SIX**

Proficiency Statements and Indicators **Student should be able to:**	**Sample Student Activities** **Students might:**
ECONOMICS **Demonstrate the influence of physical and cultural factors upon the economic systems found in countries of the Western World.**	
• Explain how physical geography, specialization, and trade influence the ways people earn income in various countries.	• 1) Plan a family budget for a family of four based on the per capita income of a nation. 2) Develop charts and graphs showing the economic role of women in several countries.
• Explain how increased specialization and trade make countries more wealthy yet more interdependent.	• Choose several common products (e.g., a candy bar, items of clothing, etc.). Identify the ingredients or components. Research and identify locations on a world map where these products originated.
• Explore how different economic systems (traditional, command, market) answer the basic economic questions of what to produce, how to produce, and for whom to produce.	• 1) Write to the embassies of selected countries requesting information. Develop a chart comparing/contrasting standards of living among these countries. 2) Research the type of economic system or systems used in a country over a long period of time. Analyze changes in everyday life as economic systems develop or change (e.g., change from a traditional to a market economy).

FOCUS: WESTERN CULTURES	**GRADE SIX**
Proficiency Statements and Indicators **Student should be able to:**	**Sample Student Activities** **Students might:**
ECONOMICS continued . . .	
• Describe the level and sources of income (gross domestic product-GDP) in countries of the Western World.	• Color code a world map showing different GDP levels. Create a profile of specific countries highlighting economic factors (e.g., GDP, productive resources; trade statistics).
• Compare and contrast how education and technology influence productivity and economic development in countries of the Western World.	• Compare GDP levels with literacy rates/levels of educational attainment, use of technology, etc.
• Identify situations in which the actions of consumers and producers are helpful (e.g., education) or harmful (e.g., pollution) to others, inside and outside a country, who are not directly involved in the consumption or production of a product.	• 1) Report on pollution levels in different countries and on ways different countries deal with pollution. 2) Play the role of consumers and producers of products from various countries. Compare points of view.
• Explain how international trade requires a system for exchanging money between nations.	• Analyze the classified ads from a foreign, English-language newspaper. Convert salaries to dollars.

Policy Notification Statement

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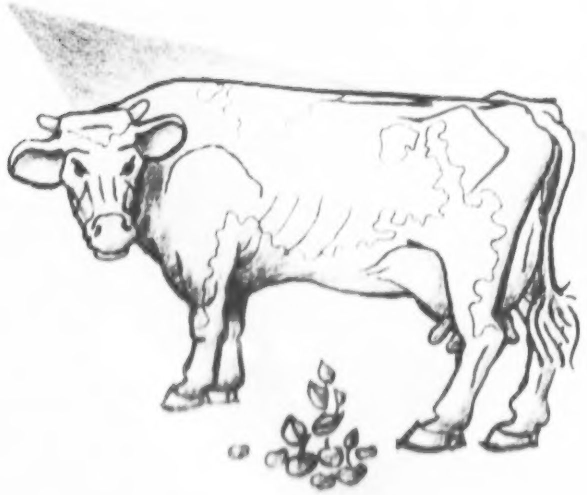
Inquiries regarding compliance with Title IX may be directed to the Human Resources Director, Indiana Department of Education, Room 229, State House, Indianapolis, IN 46204-2798, or to the Director of the Office of Civil Rights, Department of Health and Human Services, Washington, DC; **Dr. Suellen Reed, State Superintendent of Public Instruction**.

INDIANA DEPARTMENT OF EDUCATION
Center for School Improvement and Performance
Office of Program Development
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